DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—TWENTY-FIRST PARLIAMENT

14 GEORGE VI, 1950

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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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1950

HOUSE OF COMMONS

DEBATES

OF

OFFICIAL REPORT

DOMINION OF CANADA

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House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable W. Ross Macdonald

Thursday, February 16, 1950

SECOND SESSION—TWENTY-FIRST PARLIAMENT—OPENING

The parliament which had been prorogued on the tenth day of December, 1949, met this day at Ottawa for the dispatch of business.

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

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

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

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

Accordingly the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

VACANCY

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

Of the Hon. Colin William George Gibson, member for the electoral district of Hamilton West, consequent upon his acceptance of an office of emolument under the crown.

I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

OATHS OF OFFICE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in accordance with the traditional usage, I beg leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

The conference with representatives of the provincial governments forecast in my speech closing your last session was held in January. This conference marked a promising beginning in working out a satisfactory procedure for making within Canada whatever amendments to the constitution may from time to time be required. Agreement was reached on certain general principles and a continuing committee was established to further the work of the conference.

The governments of all the provinces have also been invited to participate in a general conference between the federal and provincial governments early next autumn to consider other matters of mutual concern. The several provincial authorities have been asked to make suggestions as to the principal topics they will wish to have discussed at this conference.

In the meantime negotiations are proceeding with the provincial governments for the implementation of the legislation adopted at your last session respecting housing, a transcontinental highway and forest conservation.

The national health program has been extended to the province of Newfoundland and further satisfactory progress has been made, in co-operation with the provinces generally, in the development of more adequate health facilities and services.

In the international sphere, our country continues to give full support to the charter of the United Nations. A Canadian delegation is now attending a session of the economic and social council to which Canada was elected at the last session of the general assembly.

The recent conference in Ceylon of the foreign ministers of the nations of the commonwealth demonstrated that there is a continuing and substantial community of outlook among the nations of the commonwealth both in the east and the west in their approach to current problems of foreign affairs.

The measures for the preservation of peace and the restoration and maintenance of prosperity contemplated by the North Atlantic treaty are being devised and applied as expeditiously as circumstances permit. The wholehearted co-operation of

all the signatories to the treaty is encouraging evidence of their determination to deter aggression by a combination of actual and potential strength calculated to remove the possibility of successful aggression.

The cold war nevertheless still continues and imposes on all the free nations heavy burdens for the provision of defence forces and modern armaments. Preparedness to meet any sudden onslaught is essential and the means must be provided. But the free nations also face a test of endurance, and our staying power could be endangered by attempting to achieve complete preparedness at the expense of our adaptability to new developments in weapons and techniques of warfare or the efficiency of our social and industrial systems.

In the development of Canada's defence forces, constant attention is being given to the best use of our resources, to the encouragement of joint research and experimental development and to the co-ordination of Canadian efforts with those of the other signatories of the North Atlantic treaty.

The measure to consolidate existing legislation respecting our defence forces and to provide for a purely Canadian disciplinary code to be made applicable to all the forces will be re-introduced.

Employment and prosperity remain at a high level in Canada. The prospects are good for continued private investment in construction and capital development throughout the present year. The demand for consumer goods of all kinds continues to be strong. However, seasonal and local factors have given rise to a significant amount of temporary regional unemployment during the past few months and the security provisions established under unemployment insurance legislation have been called upon to meet the first important test since they were brought into effect.

Although a high proportion of persons temporarily unemployed are actually in receipt of unemployment insurance benefits, you will be asked to give consideration to a bill to widen the scope and extend the benefits of unemployment insurance.

Circumstances outside Canada have been responsible for some downward adjustment in the price of farm products. Measures have already been taken to reduce the impact of these adjustments. In order to provide authority for continuing price support to that end for the primary products of our farms and fisheries, you will be asked to amend the Agricultural Products Act, the Agricultural Prices Support Act and the Fisheries Prices Support Act.

Within the past year, the international wheat agreement has been brought into operation. In view of Canada's participation in that agreement and the recent decision to market coarse grains through the Canadian wheat board, you will also be asked to consider a measure to renew the existing powers of the board.

During the past year Canadian exports were maintained at close to record levels, but continued difficulties arising out of the world-wide dollar shortage have resulted recently in reduced purchases of a number of our export products.

Canadian representatives continue to participate actively in co-ordinated international efforts to bring about improvement in the underlying conditions of world trade. The government is also pursuing policies designed to develop new markets for our products and to assist overseas customers to increase Canadian earnings. My ministers will continue their efforts to secure reductions in trade barriers. To this end preparations are actively under way for further multilateral trade negotiations later in the present year.

While prevailing exchange difficulties will require continued readjustments, we have reason to expect that our export trade as a whole will remain at a high level during the present year.

[Mr. Speaker.]

You will be asked to give consideration to the legislation required to implement the policy concerning the control and the orderly decontrol of rents announced by the government during your last session.

A measure will be introduced to amend the Canada Shipping Act to incorporate changes suggested by the Safety of Life at Sea Convention of 1948 and to define duties of Canadian consuls and conditions of registration in Canada of Canadian ships.

You will be asked to consider a bill for the revision of the Indian Act.

A bill will be submitted to substitute a uniform and systematic procedure for existing legislation concerning publication and tabling in parliament of regulations and orders made by the governor in council or ministers or other agents of the crown in the exercise of powers conferred by statute.

Bills will be introduced to implement the policies announced at the last session respecting prize money; the inclusion of veterans of British and allied forces within the scope of the War Veterans Allowance Act; and grants to municipalities in which there is an exceptional concentration of federal property.

Other measures requiring your consideration will include bills to amend the Militia Pension Act; the Criminal Code; the Government Annuities Act; the Post Office Act; the Consolidated Revenue and Audit Act; the Currency Act; the Trust Companies Act; the Canadian and British Insurance Companies Act, 1932; the Foreign Insurance Companies Act, 1932; the Customs Act; the Maritime Marshland Rehabilitation Act; and the Northwest Territories Power Commission Act.

Members of the House of Commons:

You will be asked to make provision for all essential services for the next fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

I pray that Divine Providence may bless your deliberations.

BUSINESS OF THE HOUSE

MOTION FOR PRECEDENCE OF DEBATE ON ADDRESS

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

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Friday next, and that unless and until otherwise ordered by this house, this order have precedence over all other business except introduction of bills and government notices of motions, on every day of next week, and thereafter on Mondays, Wednesdays and Thursdays until disposed of.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, before this motion is put I should like to say that this is a new procedure which we accepted during the war because of the desire of hon. members of all parties to facilitate the business of the house. Again last session it was accepted because we knew the government had a certain program of legislation, and we were anxious to facilitate its consideration.

I believe, however, that this is a precedent which should not be accepted without some protest on behalf of the private members of the house. What it actually does is to interrupt debate on the address and, in a way, to take interest from it and prolong it. I believe that in the interests of debate it would be better to proceed with the debate on the address, and to conclude it, as the normal procedure of the house requires.

I would point out, too, that if interruptions prolong the debate to any extent, the house loses at least one of the private members' days. The rules of the house indicate that the first four Thursdays shall be allotted to private members. Today is the first of those four, and there are three others. If the debate on the address goes beyond the next three Thursdays, then private members will lose one of the opportunities they have to discuss private members' motions.

I had thought that at this session, which is not one crowded with legislation, in all probability the government would revert to the normal procedure of the house. I wish, therefore, on behalf not only of my own associates but also of other private members who, I know, share this view, to make protest, and to say that I hope once again the house will not accept this as a precedent to be followed in future.

Motion agreed to.

THE LATE THOMAS LANGTON CHURCH

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure all hon. members of the house were much grieved to hear last week of the death of one of the oldest and most respected, and, I would add, best loved members of the House of Commons, Mr. Thomas Langton Church, member of parliament for the constituency of Broadview, Toronto, since 1935.

Mr. Church's death brought to a close a remarkable career of public service to the city of Toronto and to the nation. I doubt if there are many who enjoyed the confidence of their electors over such a long period of time, because he occupied public office, practically without interruption, from 1898 to the date of his death. He was first elected to public office in 1898 as a member of the high school board in the city of Toronto. In 1905 he became an alderman, and he remained a member of the city council until the end of 1921. In 1910 the electors promoted him to the board of control, and from 1915 to 1921 inclusive he was mayor of that city. That, I understand, is a record which has not been equalled by any other mayor in the history of Toronto.

The late T. L. Church

Mr. Church was also for seventeen years a trustee of the Toronto General hospital, and for fifteen years a director of that great institution, the Canadian national exhibition.

In 1909 and 1910 he brought forward a proposal for the development of a harbour at Toronto worthy of the growing importance of that city, and became a member of the reorganized board of harbour commissioners, and afterwards its chairman. As mayor he was chairman of the Toronto board of police commissioners, and was also for seven years a member of the Toronto Hydro Electric Commission.

Mr. Church was president of the Union of Canadian Municipalities for two terms, and at different times he was president of the Ontario Municipal Electrical Association, the Hydro Radial Union, and the Ontario Municipal Association. He had been called to the bar of Ontario in 1897, and for many years acted as general counsel for the Toronto Electric Commission.

He was first elected to parliament in 1921, and, though he suffered a defeat in the general election of 1930, returned to the House in a by-election in 1934. I am sure all hon. members are agreed that at Ottawa he displayed the splendid qualities which endeared him to the electors of Toronto during all those years. Perhaps his two most outstanding qualities were his capacity for making and keeping friends, and his devotion to the welfare of his native city.

He was always kind, generous, honest, and uncompromising. He held views which perhaps were not widely supported throughout the country, but he was a man of principles to which he adhered constantly and unswervingly. There never could be any doubt as to where he stood. He knew it himself, and he made it known to his constituents, to the house and to the nation. Perhaps no man in public life ever fought more fiercely for his convictions, but I doubt if any was ever more considerate of his opponents. He always treated his bitterest political antagonists as gentlemen, and I do not believe there was ever a grudge in his whole make-up.

There was a striking contrast between, on the one hand, his progressive outlook as an official of his native city of Toronto and the great achievements and developments which he inspired and promoted in the affairs of that city, and, on the other, his staunch conservatism in respect of everything which had to do with the evolution of Canada from colonial status to nationhood.

Mr. Church was a staunch believer in British imperialism, and seemed to be quite unhappy that Canada should not always

remain a dutiful daughter in her mother's house. His great sincerity, his unswerving consistency, the courtesy and warm-hearted kindness in all his dealings with his fellow men endeared him to us all; and the manner in which he represented those who elected him will, I believe, for those who follow, stand as an example which will be his best memorial.

I am sure all hon. members of the house will wish to extend to his two sisters, to his countless friends, as well as to the leader of the opposition (Mr. Drew) and to his colleagues, sincere condolences on the passing of one who had become affectionately known and will long be remembered by all of us as Tommy Church.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, joining with the Prime Minister (Mr. St. Laurent) in paying tribute to one of the members of this house who had endeared himself to all his fellow members, no matter in what part of the house they sat, I wish to emphasize particularly one aspect of his life which impressed itself not only upon those who knew him intimately but upon the whole country. If there was one word more than any other which will always be associated with the memory of the late T. L. Church—or Tommy Church, as he was known to everyone—that word is friendship. All through his life he followed the injunction of St. Luke: Make to yourself friends.

I doubt if any Canadian ever had more personal friends. It is certain that no Canadian ever knew as many people by their first names. He had an extraordinary memory, but that memory was not a mere device by which he sought recognition from others. It was a part of his interest in other people, in the human beings whom he knew.

My own friendship for Tommy Church goes back a great many years. I knew him first when I was a boy in Toronto playing games. He was interested in everyone who was on the track team, who played football or hockey, or other games of the kind. He was interested in people.

I well recall the kindly and generous things he used to do for young people who came to the city of Toronto for the first time. I know that many people who occupy positions of responsibility, in his own home community and in other parts of the country as well, owed to Tommy Church the opportunity to make a good start in life.

Mr. Church knew people of all ages and of every walk in life. It was all a part of that deep affection and concern for all he met. During the first world war, when he was mayor of Toronto, I think he saw every train that left with men who were going overseas. I am sure he met every train coming back that carried servicemen—wounded, on leave, or about to be demobilized. He was in all reality what he was so often described as—the soldier's friend. That friendship was extended particularly to wives and children of the men who did not come back, and to those in difficult circumstances who found not so easy the adjustment to life when they returned.

As has been said by the Prime Minister, Mr. Church loved Toronto. In fact, throughout Canada his name was symbolic of Toronto. If he spoke in this chamber of the city council, of the harbour, of the general hospital, of the Canadian national exhibition, we all knew, and we were intended to know, that he was speaking about the Toronto city council, the Toronto harbour, the Toronto General hospital or the Toronto exhibition. He would have been surprised if anyone suggested that they were not the best in Canada. That did not mean that he was restricted in any way in his views as a Canadian, but his first loyalty was to the city in which he was born and brought up, and to which he had contributed so much.

But he had infinitely wider interests, and I think it is proper at this time to recall that along with Sir Adam Beck he did perhaps more than any other single man in Toronto to bring to reality the Ontario Hydro Electric Power Commission, which has been of such great advantage to the people of that province.

His friendships—and it is by those that he will be so well remembered here and elsewhere—were built on an unselfish foundation of abiding and real interest in the welfare of all with whom he came in contact. As has been said already, he was a man of strong beliefs. At a time when it may be helpful that people of strong beliefs do adhere to their principles, he left no doubt as to where he stood on any subject in which he had some interest.

Mr. Church believed in his own city first. He believed in Canada. He believed in the great and continuing purpose of the British commonwealth and the empire. He believed that Canada's full growth as a nation, Canada's greatest opportunities in the years ahead as a sovereign state, lay within that partnership in whose association we had grown to nationhood and in which he saw the greatest future for the years ahead. He certainly did not fail to express that belief on any single occasion when the opportunity presented itself.

Mr. Church did an infinite number of kindly things which meant much to many people. I for one shall never forget the scene in St.

James cathedral in Toronto and at the cemetery where people stood with tears streaming down their faces as they remembered the man they loved, as they remembered perhaps in many cases the things that he had done in an unselfish way to help them along the road to life.

Tommy Church was one of those rare beings to whom these words of Alexander Pope apply in their full meaning:

> Who broke no promise, serv'd no private end,
> Who gain'd no title, and who lost no friend.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, not only on behalf of those associated with me, but perhaps as one who has had a fairly long membership in the house, I wish to express both regret at the passing of Mr. Church and sympathy for his sisters who have survived him. As the leader of the opposition (Mr. Drew) has said, when a young man arrived in the city of Toronto the one person who was almost sure to welcome him was Tommy Church—just as, on the arrival of a new member, Tommy was the one older parliamentarian who was sure to greet him. No matter what his views were, no matter what party he belonged to, no matter under what auspices he came, Mr. Church immediately took an interest in him as a younger member of the house.

I am glad that, although we differed so much in our views, I was able to form a friendship with him, a friendship that was possible because there were some things we had in common.

I think it was obvious to all of us at the last session of parliament that Mr. Church was failing fast. The manner in which he went through the session, the energy which he put into the debates of the house, the way in which he spoke of policies for which he will long be remembered, was amazing.

The leader of the opposition has spoken of the interest of the late Mr. Church in the Ontario hydroelectric system, that great publicly-owned institution. We shall all remember, because of that interest of his in the public ownership of public utilities, how prominent a part he played last session in the discussion of certain matters which came before the house. I said to some of my friends one evening when Mr. Church was speaking that he was failing, and I thought that what we were witnessing was like the bright flicker of light before the candle goes out. Therefore I was not surprised when I heard with sorrow over the radio that Tommy Church had passed to the great beyond, upon which he had fixed a sure and certain hope.

Mr. Church loved this House of Commons; he loved this parliament. He was old-fashioned, as the Prime Minister (Mr. St. Laurent) has said, in his adherence to the British empire rather than to the commonwealth. He preferred the old term. I am sure my hon. friends of the official opposition will not misunderstand me when I say that Tommy Church was a survivor of an old-fashioned conservatism which served its day and generation well. We shall miss him here because of the views that he invariably expressed, and the forthright manner in which he expressed them.

As has already been said, Mr. Church's life was one of kindnesses. He represented Broadview, a constituency in which there are a good many underprivileged Canadians, and Tommy Church was the friend of all, poor and rich alike. I have heard it said that when he went into his constituency he could meet almost everyone there and call them by their first names. I believe there is little exaggeration in that statement. He was a friendly soul, a man greatly beloved and respected by all who knew him. I recall the words of William Wordsworth:

> That best portion of a good man's life,—
> His little, nameless, unremembered acts
> Of kindness and of love.

I think those words might well serve as an epitaph to Thomas Langton Church.

Mr. Solon E. Low (Peace River): Mr. Speaker, we in this corner wish to associate ourselves with others in paying tribute to our late good friend and colleague, Tommy Church. Our very high respect for Mr. Church grew as a result of his warm friendly personality, his integrity and his deep devotion to his public duties. We respected and admired him also for the courage he displayed in remaining true to his strong and deep convictions to the very end. I am glad that I knew Mr. Church and gained inspiration from what I consider to have been a good life.

Mr. Church viewed with some sorrow and considerable alarm the steady and progressive disintegration of the British empire during the past few years. On numerous occasions in this house I heard him express that alarm. Indeed he was among the few to voice his fears about the forces that appeared to be wrecking the British empire. I think his courage and devotion reached their highest peaks on the occasions when, almost alone, he expressed his keen desire to see the empire preserved, with Canada playing a leading role in its regeneration.

In Mr. Church's death the house has lost a good and faithful member, the constituency of Broadview a devoted servant, the Conservative party one of its pillars, and his relatives and associates a warm and true friend.

The late T. L. Church

We express our sympathy to his party and to those who are left to mourn the loss of a fine man.

Mr. J. H. Harris (Danforth): Mr. Speaker, perhaps there are not many in this house who knew our late departed friend as well as I did. The Prime Minister (Mr. St. Laurent) mentioned the year 1898. I am unable to go back that far, but I remember well that in 1905 I drove a pony and cart to take voters to vote for the late Mr. Church. I remember so well coming into this house for the first time as the youngest member of that day. Mr. Church was then a member and at that time he represented a western portion of the city of Toronto and I the eastern. With the change in population and other changes brought about by time, it was necessary for him to find another seat. My riding was split into two and he took over a large number of my people. I took the remainder.

I can see the late Mr. Church, during the last election campaign, at the corner of Gerrard and Broadview in Toronto. I can see him entering stores and greeting storekeeper after storekeeper, all of whom knew him well, and many of whom supported him because they loved him. They not only loved him; they also loved the principles for which he stood.

I know these people. I learned to know them when I was quite young, and I know what they thought of our departed friend. I know that they realized, as the Prime Minister said a moment ago, that the late Mr. Church was a champion of all the merits of a worthy daughter of the empire. We appreciate the sentiment of the Prime Minister, but I also know that the valiant sons and daughters who came back from two world wars after serving Canada loved the late Mr. Church more than any other person from that great metropolis of close to a million people. They appreciated the fact that he saw every troop train leave, and met every train that brought them back. These sons and daughters of Canada knew where they stood, and they knew they would have a supporter in this assembly to look after their interests.

I feel it a high privilege to have this opportunity of paying a tribute to the late member for Broadview. It was also my good fortune to know his sisters, one of whom has also passed on. I knew the late member for Broadview for forty-five years. Far too many men of that calibre have been lost to Canada. If any young men or young women within range of my voice this afternoon are still considering their future course, particularly in reference to their leaning toward the empire or otherwise, let them take a leaf out of the book of Thomas Langton Church, who, whatever you may say, in my opinion was one of Canada's greatest statesmen. He accomplished much, not for himself but for Toronto, for Ontario and for Canada, and much for the empire, which is playing such a vital part in the events of this day and generation.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, may I join the countless friends of the late Mr. Church in conveying to his family, to his native city of Toronto and to his party my deepest sympathy in their great loss. Seldom have we heard such fine tributes as those which have been paid this afternoon to the memory of a great Canadian and a great man who is no longer among us.

I knew Mr. Church for many years; he was exceedingly kind to me. I remember that the first occasion I had to thank him was when I was fighting some private legislation which concerned my constituency. I did not ask for his support, but I received it in most generous measure, and from that time on we were friends. We also had mutual friends in the city of Toronto, and he did me the signal honour of introducing me to the primate of his church.

Reference has been made to his natural congeniality and his ability to make friends, but nothing has been said of the high regard in which he was held by the high clergy of his church. During the last Christmas season he had an invitation from the primate of that church to spend some time with him in Halifax. Unfortunately the invitation could not be accepted, but when I saw the report of the funeral I was not at all surprised to learn that for many hours before the service he lay in state in his church, and that the service was conducted by the primate, the Most Reverend Archbishop Kingston, assisted by the Dean of Toronto.

That did not mean that Mr. Church was at all narrow-minded. He represented a constituency named Broadview, and he deserved to represent it, because he was so broad-minded. For the dignitaries of other churches, in particular the Roman Catholic church, he had the same respect he held for his own clergy. Often he told me that he had attended celebrations to honour Monsignor Casey in Toronto, and he was on the most intimate terms with His Eminence Cardinal McGuigan, the present Roman Catholic archbishop of Toronto.

I never heard Tommy Church say anything nasty about anyone in the House of Commons; that is why he enjoyed the respect of all. He held deep convictions; and in that

regard I should like to read a very fine sentence which was uttered by one of our mutual friends, Bishop Renison, speaking of him in St. James cathedral last Friday:

> He was one who was touched in youth by the glorious spiritual conception of the British empire.

Personally I did not always agree with him on certain matters, but we could remain friends without sharing the same views. That is the great privilege of members of the House of Commons. We come from all corners of this country; we do not always hold the same views, but we remain friends because we respect each other and understand the point of view of the other man, though that point of view may be entirely different from our own.

The late Mr. Church did a great deal for the city of Toronto. During his lifetime I said of him, without desiring to give offence to anyone else, that no one had done as much as he had done for his native city. In regard to the transportation system, for example, he saved the city twenty-four or twenty-five million dollars; and he was known to be honest. If he had not been, we would not have heard the eulogies that have been uttered today.

Sir, the memory of Tommy Church will live for ever. He did a great deal for our soldiers, as has been said. He did a great deal also for the underdog, for those who seemed to have no friends, who were turned away by all. They found a friend in Tommy Church because they were weak, because they were poor, because they were ill. He wanted them to be well and happy.

I always admired Mr. Church's courage and his deep conviction every time he spoke in the house. During the last session he was more active than any other private member. It seemed to be his swan song. He wanted to accomplish as much for his country, in this House of Commons, as he did during the time he occupied the chair of the first magistrate of the queen city of Toronto.

May I conclude with a personal recollection? A few days before his death eight or nine years ago, Mr. Lapointe was piloting his estimates through the house. He did not seem to be very well, and he was having trouble with some members of the opposition who were repeatedly harping on the same matter. It was very hot, and Mr. Lapointe was tired and ill. Tommy Church was instrumental in putting an end to the questioning, so Mr. Lapointe sent him a note of thanks. It read, "My dear Tommy: You are the prince of them all." I have no doubt that those who have charge of Tommy Church's correspondence will find that note. He kept it and showed it to me and to some of his friends, because he was quite proud of it. I shall close by paraphrasing that quotation; Tommy Church was the prince of them all.

THE MINISTRY

ANNOUNCEMENTS OF RESIGNATIONS AND APPOINTMENTS

Right Hon. L. S. St. Laurent (Prime Minister): I should like to mention the changes that have taken place in the ministry since the last session.

Hon. Colin Gibson resigned as Minister of Mines and Resources on January 18. Hon. J. J. McCann was appointed Minister of Mines and Technical Surveys, retaining his present portfolio of national revenue, also on January 18.

Hon. Robert H. Winters resigned as Minister of Reconstruction and Supply and was appointed Minister of Resources and Development on January 18.

Hon. Walter E. Harris was, on the same day, appointed Minister of Citizenship and Immigration. Because I was standing I did not applaud that announcement, but I share with other hon. members their pleasure at seeing the member for Grey-Bruce assume additional responsibilities in the conduct of the affairs of the country.

I should like to table the relevant orders in council dealing with those appointments, and to add that Mr. Harris, of course, prior to taking the oath of office as a minister of the crown, resigned as parliamentary assistant to the Prime Minister and president of the privy council.

PARLIAMENTARY ASSISTANTS

ANNOUNCEMENT OF RESIGNATION AND APPOINTMENTS

Right Hon. L. S. St. Laurent (Prime Minister): I should like to announce that Mr. Ralph Maybank resigned as parliamentary assistant to the Minister of Mines and Resources on January 18, and on the same day was appointed parliamentary assistant to the Minister of Mines and Technical Surveys.

Mr. George Prudham was appointed parliamentary assistant to the Minister of Resources and Development on February 1, 1950.

I wish to table the orders in council relating to those appointments.

TRANSFER OF DUTIES

GOVERNMENT EMPLOYEES COMPENSATION ACT—QUEBEC BATTLEFIELDS COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister): I wish to table orders in council dealing with the provisions of the Public Service Rearrangement and Transfer of

Duties Act. The functions of the Minister of Transport under the Government Employees Compensation Act, 1947, were transferred to the Minister of Labour. The control and supervision of the government employees compensation branch of the Department of Transport were transferred to the Department of Labour. It was felt that the functions to be performed in connection with the service were somewhat similar to the functions that were being performed by the Department of Labour in connection with unemployment insurance and like services. It would therefore be more convenient to have those services administered by that department.

The duties and functions of the Minister of Finance under the act respecting the national battlefields at Quebec and amendments thereto were transferred to the Minister of Resources and Development. They are functions similar to those the department has to exercise in connection with national parks in other parts of the country, and it was felt it would be conducive to the expeditious handling of business, as well as more economical administration, to have the minister charged with the administration of other national parks entrusted with the responsibility for the operation of the battlefields commission at Quebec.

I table the orders in council relating to these transfers.

REPORTS AND PAPERS

CONSTITUTIONAL CONFERENCE—DOMINION-PROVINCIAL RELATIONS

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table two copies in English and two copies in French of the proceedings of the constitutional conference between the federal and provincial governments, January 10-12, 1950.

There are also copies in English and in French of the further correspondence between the Prime Minister and the premiers of the provinces respecting the constitutional conference, January 10, 1950, and the proposed general conference to be held in the autumn of this year. The previous letters dealing with these matters were printed as appendices to *Hansard*. If it be the desire of hon. members to have these letters appear as an appendix to today's *Hansard*, I might ask Your Honour to make that order.

There are also copies in English and in French of the correspondence which took place last summer with Premier Campbell of Manitoba and Premier Douglas of Saskatchewan on the subject of dominion-provincial relations. Since there have been so many of these letters published, I thought it might be the desire of hon. members to have all the correspondence that has taken place in that connection made available. Perhaps hon. members would wish also to have these letters printed as an appendix to *Hansard* of today.

Mr. Speaker: Is it the pleasure of the house that these documents should be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

(For text of correspondence, see Appendix, pages 13 to 21.)

ORDERS IN COUNCIL

TABLING OF SUMMARY—DECEMBER 1, 1949, TO JANUARY 31, 1950

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table two copies of the summary of orders in council passed during the period December 1, 1949, to January 31, 1950. A previous summary of these orders in council was tabled on December 9. This is a summary of all the orders in council passed since the previous summary, and up to the end of January.

STANDING COMMITTEES

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

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house under standing order 63, said committee to be composed of Messrs. Fournier (Hull), Claxton, Casselman, Knowles and Weir.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable Alphonse Fournier, Minister of Public Works, the Honourable D. C. Abbott, Minister of Finance, the Honourable J. J. McCann, Minister of National Revenue, and the Honourable F. G. Bradley, Secretary of State of Canada, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the Revised Statutes of Canada, 1927, intituled: An act respecting the House of Commons.

SUPPLY

APPOINTMENT OF COMMITTEE

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

That this house will on Friday next resolve itself into a committee to consider of a supply to be granted to His Majesty, notwithstanding the provisions of standing order 57.

Mr. George A. Drew (Leader of the Opposition): On a point of order, Mr. Speaker, I think it is appropriate that this motion should be examined and the effect of its presentation at this time carefully considered.

Already this afternoon it has been pointed out that what is done now without objection may become a precedent. Practice becomes established simply by repetition. This same type of motion, in somewhat similar form, was introduced at the beginning of the session which opened last September. When the Prime Minister (Mr. St. Laurent) introduced the motion at that time he explained that he was doing so because it was necessary, in order to prevent any disturbance of the public service, to ask then for additional supply. No similar reason exists on this occasion. Because of the fact that supply had run for some time without the ordinary procedure being followed, we did not raise objection to the adoption of such a motion on that occasion. Today there is no reason for the presentation of this motion, and there are many strong reasons against it.

If this were merely a case of dealing with a motion as one which requires consent, then I would not be making the objection I now propose to make. If the question were simply whether we deal with this motion today without notice or deal with it a few days from now with notice, I should not be inclined to press the point strongly, because we all know what the purpose is. No one can suggest that there is any measure of surprise involved in the motion itself. Any point that I now make applies, I submit, with the same force to this motion, as if it were coming forward after due notice had been given.

I think it will be recognized by every member that in any event this motion cannot be dealt with today unless there is unanimous consent. But I think it is appropriate that we should deal now with the principle involved, so that discussion of this same subject on a second occasion may be avoided; the procedure will then be more convenient to the government as well as to members of the house generally.

This motion is made under standing order 57, which reads as follows:

> The house shall appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

I know it has been contended on other occasions in this house that the words "at the commencement of every session, so soon as an address has been agreed to" are not intended to prevent the appointment of these committees by motion before the address has been agreed to, but that they are a direction that the committees must be proceeded with when that address has been agreed to. I submit, however, that this is not the interpretation which should be taken of the wording of that rule. Since it seems desirable that we be in no doubt as to what the meaning of the rule is, I should like to read what I believe to be one of the clearest arguments I have read in the records of this house in support of the proposition that this rule means that the committees must not and cannot be appointed until after the address has been dealt with.

I will quote from an extended speech made by Right Hon. W. L. Mackenzie King in this house on February 6, 1934. I am reading from page 287 of *Hansard;* I shall cover only a limited part of his remarks. I start to quote from the point at which he was dealing with the interpretation which should be placed on this section:

> It is obvious, from the reading of the rule of this house, that it is copied *literatim et verbatim* from the rule of the House of Commons at Westminster. There are two words which appear in the order at Westminster that do not appear in our order, the words "in future," but they in no way affect its purpose. The order of the British house is standing order No. 14; it reads as follows:
>
> "This house will, in future, appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Majesty's speech."

Then Mr. King's words continue:

> The interpretation to be placed upon the order by the British house is best given by the leading constitutional authorities on procedure in the Commons, and on the law and custom of the constitution. I shall therefore quote from three or four of the most eminent authorities. It will be apparent, once the quotations are given, that there is no longer room for doubt as to what the intention of the order is.
>
> May's Parliamentary Practice at page 520 of the thirteenth edition, published in 1924, has the following:
>
> "The action taken by the House of Commons upon the demand of aid and supply for the public service made by the speech from the throne is the appointment, pursuant to standing order No. 14, of those committees of the whole house which are known as the committee of supply and the committee of ways and means. Motions setting up these committees are made immediately after the house agrees to the address in answer to the speech from the throne, and are put forthwith from the chair, no debate being permitted thereon."

Mr. King continued:

> Hon. members will observe that the wording is not that they "may be" or "must be" established, but that they "are" established immediately after the house agrees to the address in reply to the speech from the throne.
>
> Anson's Law of the Constitution, volume I, fifth edition, 1922, page 286, states:
>
> "The speech from the throne always contains a demand from the crown for supply, and as soon as the House of Commons has agreed upon an address in reply to the speech, it has for many years passed two resolutions—one that on a certain day

it will resolve itself into committee of supply; another that on a certain day it will resolve itself into committee of ways and means."

Mr. King then said:

Here we have a positive statement of the customary method of procedure. I submit it is custom that governs in matters of this kind. I refer next to Redlich's Procedure of the House of Commons, 1907, volume 3, page 133:

"In response to the speech from the throne the Commons, as soon as they have voted the address in reply, appoint the two great committees before which the whole finance of the year has to be discussed—the committee of supply and the committee of ways and means."

That is very specific language; as soon as they have voted the address in reply they appoint the committees. It is, I think, conclusive in its wording and meaning.

There are reasons why this practice should not grow by failure to observe what the precedents have been. It is customary—and I may say that practice will be followed on this occasion by the opposition—to move an amendment to the motion for an address in reply to the speech from the throne which is a motion indicating lack of confidence in the government. That is customary practice, and it will be adhered to. If this procedure were followed, then a similar motion might be made to the motion to go into supply, and you would have two motions of want of confidence before the house at the same time. It is certainly no answer to a question of procedure in this house to say that the government enjoys so large and assured a majority that no question can arise as to the disposition of a motion of that kind. I would hope that no such suggestion will be made. I still have hopes that there may be members who will assert their independence sufficiently to give real meaning to a motion of this kind. But the procedure that we are following may apply to instances in which the numbers in the house are very close, and in which two debates relating to confidence of the house could go on simultaneously.

I would ask any hon. members who are interested in that particular point to examine the words of Mr. King, spoken on that very subject on the occasion to which I have referred. In that same speech Mr. King made a statement which I think is appropriate on this point, and I quote his words:

What I am afraid of is that in this house we may be changing a custom by the exceptions we are making, that the government is not viewing the proposed course so much as an exception as it is seeking to make what has been an exception in the last session or two a custom which will govern in the future.

Then there is a discussion of the importance of the debate on the speech from the throne. There are two great debates each session, namely, the debate on the address in reply to the speech from the throne, and the debate which follows the presentation of the budget. In the debate on the address in reply it is customary for hon. members who have returned from their constituencies to interpret, at the time the session opens, what they have found there of major public concern. Any argument that can be put forward in favour of the motion which has been already presented by the Prime Minister, that the debate on the address in reply to the speech from the throne should have precedence over all other business, unless any other motion is made, supports the contention which I am now making, namely, that there should be no interference with the established practice in dealing with the debate on the address in reply.

What we do now may be a precedent for other occasions. There may be occasions—as there have been in the past—on which government will not receive a vote of confidence from the house. If the government does not receive a vote of confidence, and under our procedure is then called upon to go to the people or to have a new government formed, any debate that has taken place on supply will simply have been wiped out and proved useless. That is one of the reasons why the discussions in committee of supply or in committee of ways and means have been intended by the established practice of this house and of Westminster to be deferred until the debate on the address in reply to the speech from the throne has been dealt with.

Having regard to the precedents, and what might happen in the future, and considering the desire to preserve our parliamentary practice, I submit, Mr. Speaker, that this motion should not be proceeded with now. We know it cannot be dealt with now without consent. So that there may be no question of that, for the very reasons I have given I cannot accord consent to this motion today. But I do not believe the motion should be proceeded with in any event, on notice or otherwise, until the debate on the address in reply has been concluded.

Mr. M. J. Coldwell (Rosetown-Biggar): I agree with what the leader of the opposition (Mr. Drew) has said. If anyone looks through the records of the House of Commons over the past fifteen years during, to a very large extent, the prime ministership of Mr. King, he will find that the views which have just been quoted by the leader of the opposition were expressed by Mr. King not only when he was himself in opposition but when he was prime minister and head of the government.

I would also point out in support of the leader of the opposition that, while the two

motions may be made immediately following the adoption of the address, as moved today it would fall within the category of an ordinary motion. Therefore, Mr. Speaker, I submit it would come under standing order 45, which reads:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house.

This being a motion for the appointment of two important committees, it would fall under standing order 45, and would therefore require forty-eight hours' notice. I imagine that is what the leader of the opposition had in mind when he said it could not be proceeded with without the unanimous consent of the house.

I support him, not because I wish to obstruct the business of the house or to obstruct anything the Prime Minister has suggested today that might conceivably facilitate the business of the house. With the leader of the opposition, I believe these rules are made to protect minorities in the house, and on every occasion on which a motion is made to vary the normal procedure, as occurred this afternoon in connection with the motion concerning the debate on the address, I say we should be wary and exercise great care. That care must be exercised when there is any attempt to vary these long-established rules for the protection of minorities and private members in the house, or when there is an attempt to set them aside, or a suggestion that they should be set aside.

Therefore I support the leader of the opposition in his contention, and submit that this cannot be proceeded with without the forty-eight hours' notice required by standing order 45, or without the unanimous consent of the house to set it aside.

Mr. Solon E. Low (Peace River): Mr. Speaker, it occurs to me that at times the government may require that the rules of the house be streamlined. I imagine that the motions moved this afternoon by the Prime Minister (Mr. St. Laurent) might well have been moved for the purpose of streamlining procedure and getting ahead with the business. With that I am in sympathy.

At the same time it is obvious that if we are to streamline the procedure of the house we will have to pay attention to changing the rules and standing orders as they are found in this book. I would suggest that the leader of the opposition (Mr. Drew) and the leader of the C.C.F. party are quite in order in protesting against this way of doing business. I propose to support them, and to make the further suggestion that, if we want to change procedure with respect to the setting up of these committees, we should first of all pay attention to changing standing order 57, after which we would be perfectly in order.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it is very difficult to know just what hon. members do want. They say they do not want to rely upon the objection that this motion would require notice, and that they want to decide the question on the merits—at least that is what the leader of the opposition said. He wanted to decide on the merits, but then he pointed out that it was one of those motions which require forty-eight hours' notice.

I am not going to take time to debate it and waste a whole lot of time on this first day of a session discussing a matter of procedure. I endeavoured to do something which the government thought was going to meet the desires of hon. members as expressed at the last session of parliament. Statements were made at the last session that it would facilitate the business of the house if the estimates were brought on at an early day, and if an announcement was made that the first item for administration of such and such a department would be called on such and such a day, and that there would be general debate upon that item.

Ever since I have been here I have heard the complaint that the estimates are kept back until the dying days of the session, and then that they are rushed through without very much consideration. We have been working hard and working persistently to get the estimates into shape, and it is the hope of the Minister of Finance (Mr. Abbott) to table them this week. We thought that immediately after they were tabled it would suit the convenience of hon. members, as well as meet the exigencies of the public interest, to agree as to which department we would call on each one of those days upon which government business can be considered; so that, in order to make a speech hon. members would not have to rely upon prolonging the debate in reply to the speech from the throne.

There have been allusions here to procedure in the parliament at Westminster. It was the hon. member who leads the C.C.F. party who expressed in this house his admiration for what went on in the parliament at Westminster, because he had been there; he had heard the speech from the throne, and then he had attended the debate and within forty-eight hours the address in reply to the speech from the throne had been adopted.

Immediately thereafter committees were set up to deal with the concrete business of the house.

At that time the leader of the C.C.F. party expressed admiration for that procedure. But here in this house, it does not matter how hard the government tries to meet the wishes expressed from time to time by parties on the other side, those parties switch and have other objections to make.

I am not going to ask you, Mr. Speaker, to put this motion today, because there may be something in the contention that under standing order 45 there should be forty-eight hours' notice. But I do give notice here and now, from my seat, that these motions will be put on the order paper, and that we will attempt to get a decision on the merits of them.

Mr. Drew: Mr. Speaker, I just wish to leave one thing clear. If the Prime Minister will take the trouble to read the record of what I said, he will see I left no doubt whatever about the fact that I was not raising objection to having it dealt with today, beyond the merits of the general argument. I pointed out that the Prime Minister could not proceed today, whether he wished to or not, without consent—and he was not getting consent. But I said I was hoping to save time by preventing the argument. Then I might say I think we have precedents from the man whom he succeeds, and whose views I think he still respects.

Mr. Speaker: I take it that the motion at the present time is withdrawn?

Mr. St. Laurent: I take it the motions are not withdrawn but I understand there is objection to their being considered at this time. I submit to the objection; but I do say that I will give notice on the order paper, so that they may, after forty-eight hours have elapsed, be considered on their merits—and I hope we shall not have to have the discussion again, though I am afraid it is a vain hope.

Motion stands.

LIBRARY OF PARLIAMENT

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

DOMINION ELECTIONS

Report of the chief electoral officer on by-elections held during the year 1949.—Mr. Speaker.

BUSINESS OF THE HOUSE

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

He said: It is my understanding that, in accordance with the special order, we will proceed tomorrow with consideration of the address in reply to the speech of His Excellency, and, when the mover and the seconder have been heard, it might meet the wish of the leader of the opposition to have the debate adjourned at that time, to be continued on Monday. If that is the wish of the leader of the opposition the government will be prepared to agree to the suggestion that the debate be adjourned after the mover and the seconder have made their addresses.

Mr. Drew: That arrangement will be satisfactory.

Motion agreed to, and the house adjourned at 5.25 p.m.

Appendix

Correspondence between the Prime Minister and Premiers of the provinces with respect to constitutional conference, January, 1950, and proposed dominion-provincial relations conference

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, January 27, 1950

(The following is the text of a letter sent to all provincial premiers.)

My dear Premier:

I have now received replies from the premiers of all the provinces to my letter of December 7, in which I proposed that a conference should be held early in the autumn of this year to discuss general questions of common concern to the provincial and the federal governments. The replies, as well as the discussion of this matter at the constitutional conference of January 10-12, indicate general agreement on the desirability of having the conference at a convenient date in September or October.

While the precise date for the conference can, I think, be left for determination somewhat later, it might be desirable to endeavour to draw up immediately a tentative agenda in order that the necessary preparations may be carried forward by the respective governments. Several of the premiers indicated in their letters a desire that this should be done in ample time to allow full consideration of all the subjects for discussion. In order that such an agenda may be prepared it will be helpful if I can have your suggestions as to the matters which you think should be placed on it. When suggestions have been received from all the premiers, I shall have the tentative agenda circulated for comment and revision. In this manner I hope it may be possible to get agreement on the principal items for the conference in ample time for adequate preparations.

Yours sincerely,

Louis S. St. Laurent

PROVINCE OF NEWFOUNDLAND
Office of the Premier

St. John's, December 28, 1949

Right Hon. Louis S. St. Laurent, K.C., M.P.,
Prime Minister of Canada,
Ottawa.

Dear Prime Minister:

Your letter of December 7, with regard to the holding of a dominion-provincial conference in the fall of 1950, reached my office just after I left for Ottawa. I read about the proposed conference while I was in Ottawa.

We think the idea is a splendid one, and we will be very happy to attend and to co-operate.

With best wishes.

Sincerely yours,

J. R. Smallwood

THE PREMIER
Nova Scotia

Halifax, January 7, 1950

My dear Prime Minister:

In reply to your letter of December 7, I may say that I doubt if it is possible to prepare any agenda for the conference which is to be held on January 10. As I see it, there is only one matter before the conference, and that is the evolution of a method of amending the constitution. While there well may be different views as to what the method should be, there still remains only one fundamental question before the conference.

In reply to the latter part of your letter, I may say that a conference in September or October, 1950, between the representatives of the dominion and the representatives of the provinces should be useful, and representatives of this province would be prepared to attend. I think definitely that the question of financial arrangements between the dominion and the provinces should be discussed at that time or earlier.

Yours sincerely,

A. L. Macdonald

Right Hon. L. S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

PREMIER'S OFFICE
Prince Edward Island

Charlottetown, January 17, 1950

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. St. Laurent:

With reference to your letter of December 7, which I had not acknowledged, the first two paragraphs do not now require an answer inasmuch as the constitutional conference is concluded.

The third paragraph, however, seems to call for a promise to attend a general conference of the premiers in the early autumn of this year. I cannot determine whether or not you will discuss a new tax agreement at that conference, but in any case our province will be represented as usual.

Yours sincerely,

J. Walter Jones

THE PREMIER
New Brunswick

Fredericton, December 13, 1949

Right Hon. Louis S. St. Laurent
Prime Minister of Canada
Ottawa, Canada

Dear Mr. Prime Minister:

I received in due course your letter of December 7.

With regard to the coming conference to discuss constitutional matters, now set to open in Ottawa on January 10, the views advanced by you with respect to the procedure to be adopted thereat are fully noted. For the reasons given one can readily see the difficulty that would arise in attempting to define an agenda, there being only one subject for discussion at the conference, namely, a possible method or plan of making amendments in Canada to the constitution in respect to matters of concern both to federal and provincial authorities.

Appendix

The suggestion advanced by you that the procedure for bringing about a full discussion of this subject be left for settlement by the conference itself is satisfactory to the government of this province.

The other question arising from your letter has reference to the proposal that a general conference be held early in the autumn of 1950 to discuss other questions of common concern to the dominion and the provinces. I have discussed this suggestion with my colleagues and am in a position to advise you of our willingness and desire to attend such a conference.

It is generally recognized that there are various subjects of common interest which could be discussed to advantage at a general conference between the federal and provincial governments. One could readily instance several of them.

If the provinces generally will undertake to participate in discussions of this nature we shall welcome the opportunity to take part in such a conference. It is obvious that much good may come from such studies if all parties approach them in a cooperative attitude and with a desire to find solutions to problems of real concern to the people of Canada.

I assume that it will be known shortly whether or not the proposal for holding this conference has the support of the provinces generally. Should arrangements for it be proceeded with, we will gladly give consideration to the questions and subjects which might constitute the agenda.

Yours sincerely,

John B. McNair

THE PREMIER
New Brunswick

Fredericton, November 12, 1949

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

I wish to acknowledge the receipt of your letter of November 7, advising that January 10 next has been definitely set for the opening of the conference on constitutional matters.

I wish to assure you again that this province will be represented at that time.

Yours sincerely,

John B. McNair

PROVINCE OF MANITOBA
Office of the Premier

Winnipeg, December 23, 1949

Right Hon. Louis S. St. Laurent, P.C., K.C.,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

This will acknowledge your letter of December 7 last.

In our letter of October 6 last, accepting your invitation to attend the federal-provincial constitutional conference I made it clear that the government of Manitoba realizes that a conference such as this will be dealing with difficult and complex constitutional problems, and that progress towards a solution of them can be made by representatives of Canada and the provinces meeting together. Because of this our government was of the opinion that a preliminary conference comprising constitutional experts, though not necessarily limited to them, would be useful in clarifying many of the issues involved, and we therefore supported the calling of such a preparatory conference.

It seemed to our government that such a conference could have made progress in discussing some of the constitutional and procedural issues that are certain to arise, and in this way would have been of value to the plenary conference when held—one of its accomplishments perhaps being a suggested agenda for that full conference. Inasmuch, however, as many of the premiers did not feel that such a preliminary meeting would serve any useful purpose, it is probably advisable to leave the matter of an agenda and general procedure to the full conference for final decision. I would assume, however, that your government will prepare a tentative agenda so that the greatest progress possible can be made when the conference assembles. This basis will be satisfactory to the Manitoba government.

The other matter referred to in your letter is the proposal of a general conference to discuss various questions of interest to the federal and provincial governments, including tax agreements. The government of Manitoba will welcome such a conference and will be glad to take part in it, either in September or October, whichever is found to best suit the majority of the participating governments.

Yours sincerely,

Douglas Campbell

PREMIER'S OFFICE
Saskatchewan

Regina, December 10, 1949

Right Hon. Louis S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of December 7 in reply to my letter of November 29 regarding an agenda for the conference which is to consider the procedure of amending the constitution of Canada.

Since your government is convening the conference which is to open on January 10, the decision as to whether or not there shall be an agenda lies entirely within your jurisdiction. However, in view of the fact that most of the provincial representatives will be anxious to get back to their respective provinces in order to prepare for the meeting of their legislatures, the Saskatchewan government is of the opinion that a good deal of time could be saved and some useful conclusions more speedily arrived at, if an agenda were drafted setting forth the specific items to be discussed. As an alternative, it may be that the federal government would be prepared to put before the provinces a series of specific proposals for the purpose of discussion on how the constitution of Canada could be amended in respect of dominion-provincial matters.

Your proposal that a general dominion-provincial conference be held early in the autumn of 1950 meets with the complete concurrence of the Saskatchewan government. This is something we have been advocating ever since the previous dominion-provincial conference was adjourned *sine die* on May 3, 1946. When I wrote to you on July 15 last, it was in the hope that your government would see fit to call a general conference this fall. Your reply of August 18 caused us considerable disappointment. You will remember that at that time you said:

> "I am not convinced, however, that the best way for us to attempt to discharge that duty is to come together at once in a full-dress dominion-provincial conference."

The fact that you have reconsidered your decision and are prepared to call a conference in the autumn of 1950 meets with our approval, although we are naturally disturbed that the calling of the conference is to be so long delayed. A meeting in the fall of 1950 will mean that over four years will have elapsed since the adjournment of the previous conference. This is a long and, in our opinion, unwarranted delay in coming together as governments to discuss the many perplexing problems that were left unsolved when the last conference was adjourned. When seven of the provincial governments entered into taxation agreements with the dominion, they did so in the belief that some of the social security proposals made at the reconstruction conference in 1945 would be implemented in whole or in part. The fact that a discussion of these important matters is to be further delayed for another ten months or a year gives us serious cause for concern.

The government of Saskatchewan will be pleased to forward to you in the course of the next few months our recommendations regarding subjects for discussion in the general conference which you propose convening in the fall of 1950. I trust we can take it for granted that the basis of these discussions will be the recommendations of the Rowell-Sirois commission which was appointed by the dominion government and whose proposals have not yet been implemented. Furthermore, I trust we can be assured that the dominion proposals of August, 1945, which would have implemented only in part the Rowell-Sirois report, will also be on the agenda as a basis for discussion.

While the government of this province is prepared to co-operate in every way possible, both in the conference called for January 10 and the one you are proposing for autumn, 1950, I think I should state quite frankly that in our opinion the calling of these conferences should have been reversed. Certainly if we are to discuss procedures for amending the constitution of Canada and re-allocating responsibilities between the dominion and the provinces, we ought first to have a clear understanding as to the financial responsibilities which our respective jurisdictions are to assume. It is difficult for me to see how we can discuss what constitutional responsibilities we are able to assume until we know what financial resources will be at our disposal. However, since your government has seen fit to call the constitutional conference first and the general conference later, we will do our best to make both of these conferences a success, although we are convinced that the problems to be discussed are inseparable and that there will have to be a good deal of latitude when these matters are under consideration.

Yours sincerely,

T. C. Douglas

OFFICE OF THE PRIME MINISTER

Canada

Ottawa, December 19, 1949

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Parliament Buildings,
Regina, Saskatchewan.

My dear Premier:

Your letter of December 10 was placed before me today on my return after a brief absence from Ottawa.

Appendix

I am pleased to know that my proposal for a general conference to be held early in the autumn of 1950 meets with the concurrence of the government of Saskatchewan. The matters for discussion at that conference will, as I indicated in my letter of December 7, depend upon the views of the respective governments as to what should constitute the agenda. I shall be very glad to receive the recommendations as to subjects for discussion which the government of Saskatchewan plans to forward in the course of the next few months. Meanwhile I shall not attempt to set out the views of the federal government nor shall I make any comment on the various observations in the third paragraph of your letter concerning the appropriateness of the time suggested for the general conference or the implementation of earlier proposals.

With regard to an agenda or specific proposals for the conference on constitutional amendment which is to open on January 10, my colleagues and I have noted your comments and shall see that they are carefully considered in the light of views expressed by the premiers of the other provinces.

We have been somewhat surprised at the suggestion that the order of the two conferences proposed should have been reversed. It seems to us that this view rests on a misapprehension as to the scope of the January meeting. As I mentioned in my letters of September 14 and November 7, and again in my letter of December 7, our object in proposing the conference is to have consideration given to devising a satisfactory procedure for amending the constitution of Canada. We did not suggest that the conference should consider "re-allocating responsibilities between the dominion and the provinces". And the federal government does not intend to suggest any such amendments at the conference.

We would like to see established in Canada a procedure for making amendments which may be required in the future. The general conference proposed for the autumn of 1950 may result in agreement that certain amendments are desirable. If so, it is our hope that the constitutional conference of January 1950 will have prepared the way by deciding the procedure by which such amendments can be made.

Yours sincerely,

Louis S. St. Laurent

OFFICE OF THE PREMIER

Province of British Columbia

Victoria, December 12, 1949

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Canada.

My dear Mr. Prime Minister:

I have for acknowledgment your letter of December 7, and may say that I heartily concur in the suggestion contained in paragraph two of your communication. I think that no purpose would be served at this time in setting a fixed agenda.

With reference to a proposed dominion conference in the fall of 1950, please be advised that the government of this province will be only too happy to be represented at that meeting.

With kindest personal regards.

Yours faithfully,

Byron I. Johnson

Premier

Appendix

OFFICE OF THE PREMIER
Alberta

Edmonton, December 15, 1949

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

My colleagues and I have given careful consideration to the matters outlined in your letter of December 7.

We concur in your views that it is not desirable to attempt to prepare in advance of the forthcoming conference an agenda which might be interpreted as restricting the discussion on constitutional amendments to certain specific subdivisions of the question with which the conference will be concerned. Our view rather is that there should be the widest latitude for full and frank discussion not only of procedure in the matter of constitutional amendments but of the whole question of constitutional authority as it concerns the respective governments of Canada and the Canadian people as a whole.

With reference to your proposal that a general dominion-provincial conference should be held next fall to discuss questions of common concern to the federal and the provincial governments, we are in full accord with this suggestion and feel that such a conference at the earliest convenient date is desirable and necessary.

Yours very truly,

Ernest C. Manning
Premier

Translation:

OFFICE OF THE PRIME MINISTER
Quebec

Quebec, December 12, 1949

Right Hon. Louis S. St. Laurent, K.C., P.C.,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

I acknowledge receipt, on the 9th of December, of your letter dated the 7th concerning the dominion-provincial conferences.

I shall submit your letter to my colleagues on Wednesday, at the first session of the executive council of the province, and I shall thereafter communicate with you about this matter.

Yours very sincerely,

M. L. Duplessis

Translation:

OFFICE OF THE PRIME MINISTER
Province of Quebec

Quebec, December 14, 1949

Right Hon. Louis S. St. Laurent, K.C., P.C.,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

With reference to my letter of the 12th of December, my colleagues of the executive council of the province have today been informed of the content of your letter, dated the 7th and received on the 9th December, concerning both the forthcoming intergovernmental conference and the one which you suggest for the fall of 1950, to be held in either September or October.

The government of the province of Quebec is always pleased to co-operate in the pursuit of the provinces' and the country's welfare and prosperity, on a basis of fairness and within the framework of constitutionality.

The Ottawa conferences obviously involve a considerable amount of trouble and inconvenience for provincial authorities. Nevertheless we accept that with pleasure when it results in greater prosperity and progress for the Canadian confederation and for the provinces of which it consists and which have given it birth.

It is our opinion that at the January meeting in Ottawa the provincial and federal delegates should discuss the opportunity of holding conferences upon set dates, as well as the places where such conferences might be held and the items which might be studied and settled.

We therefore believe, my dear Mr. Prime Minister, that the matter raised in your letter should be submitted for the consideration and decision of the delegates attending the forthcoming conference in January.

Yours sincerely,

M. L. Duplessis

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, December 21, 1949

Hon. Maurice L. Duplessis, M.L.A.,
Premier of Quebec,
Quebec, Que.

My dear Premier:

I duly received your letters of the 12th and 14th of December in which you express the view that the question of holding a general conference of representatives of the federal and provincial governments in the autumn of 1950 should be considered and decided by the conference to be held in January next.

I feel, in this connection, that I should advise you that the premiers of five of the provinces have already indicated their acquiescence in the suggestion for such a conference and that, up to the present, replies have not been received from the other four premiers.

Yours sincerely,

Louis S. St. Laurent

Translation:

OFFICE OF THE PRIME MINISTER
Province of Quebec

Quebec, February 1, 1950

Right Hon. Louis S. St. Laurent, K.C., P.C.,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

On Monday of this week I received your letter of the 27th of January, concerning a proposed intergovernmental conference in Ottawa next fall. At the first session of the council of ministers following the above-mentioned date, I brought it to the attention of my colleagues on the executive council of the province.

You write about "a unanimous approval of the proposal to hold a conference on a suitable date in September or October." On this point there is certainly a misunderstanding.

As it was noted by everyone, it is the desire of the government of the province of Quebec loyally to co-operate toward a just, fair and constitutional settlement of every problem that may arise in the field of federal-provincial relations. As a matter

of fact, agreeable and durable memories linger in the minds of those of my colleagues who attended, as well as in my mind.

To my mind, the attitude and opinion of the government of the province of Quebec have been clearly stated, especially during the sessions of the recent conference in Ottawa. I am sure it will not be necessary to repeat the statements I then made on behalf of the province of Quebec.

You will undoubtedly admit that the drafting of an essentially Canadian constitution, studied and decided upon in Canada, by Canadians and for Canadians, is a task of capital importance.

In so far as the province of Quebec is concerned, I believe that the stand we took cannot possibly be ambiguous for anyone.

During the recent conference in Ottawa, all provinces have brought suggestions, taken a stand, expressed opinions. The federal authorities alone neither presented suggestions nor expressed any opinion.

To us, at such conferences, it would appear useful, just and necessary that all participants share their views and suggestions so that the best possible achievements may come from the body of this work. The old proverb is always true which says that light springs from the impact of ideas.

Undeniably the federal authorities have a right to opinions, and even convictions, and we are led to add, most respectfully, that an exchange of opinions and suggestions is not only a federal and a provincial right, but it is a duty arising from the spirit of frank and loyal co-operation that is desired and desirable among the different governments in Canadian confederation.

That is why we would like to know, in order to study them, the opinions and point of view of the federal government.

In the circumstances, you will agree that it is not a question of anyone imposing his views, and that if the federal authorities omitted to voice their opinions and suggestions, they would unfortunately be giving the impression of a lack of co-operation in the working out of a Canadian constitution and of a confederation strongly united in the integral respect of the rights of everyone.

There is no doubt that money is far from holding first place in the scale of values; nevertheless it should not be forgotten that we are living on earth and that financial means are essential to life.

One of the important problems which, in our minds, has to be settled in a precise way so as to prevent any serious dispute, is the problem of the fiscal powers which are indispensable to the various governments. To govern is to foresee, and thus it is necessary to have sources of income with which present as well as future needs may be met.

On many occasions we have suggested what seems to us to be an excellent method of obtaining perfect co-operation.

We are convinced that in spirit and letter the Canadian constitution grants to the provinces a priority at least in matters of direct taxation. However, since there are contrary opinions, which we respect without sharing, there would be an occasion to define clearly, the taxation powers of each and all the authorities of Canadian government.

We believe further that a delimitation beyond question of federal powers and provincial powers is needed even if we are convinced that certain contestation of provincial powers is ill-founded. Also, we believe it advisable to find and establish an appropriate and fair system that would take into account the rights of the ever-ignored taxpayer while maintaining for each government authority the powers essential to a responsible government.

Would you be good enough, Mr. Prime Minister, to let us know the opinions and attitude of the federal authorities on these subjects?

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You may be assured that we wish wholeheartedly to co-operate toward the progress and prosperity of the country as well as to the progress and prosperity of the provinces, our province in particular; such a co-operation could only take place, in our minds, on federative bases, with due regard to the elements which are indispensable to responsible government.

As we have stated on several occasions, the delegates of the province of Quebec take part in these Canadian intergovernmental conferences not as leaders of a political party but as representatives of a province; we likewise consider the delegates of Ottawa not as leaders of a political party but as representatives of the federal authority. It is our very sincere desire always to be guided by these principles which seem suitable and appropriate for everyone.

On behalf of the province of Quebec, I take pleasure in renewing the cordial invitation, which I extended, to hold these conferences, or at least some of them, in the old capital which was the cradle of Christian civilization in this land of America and even also the cradle of the Canadian confederation.

Please accept, Mr. Prime Minister, with my salutations, the assurances of my complete devotedness to the highest interests of our country in general and of the province of Quebec in particular.

M. L. Duplessis

Translation:

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, February 6, 1950

Hon. Maurice L. Duplessis,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

I acknowledge receipt of your letter of the first of February, concerning the general conference of the federal and provincial governments proposed for early autumn; if there is any misunderstanding as to what I interpreted as being "a unanimous approval of the opportunity of holding a conference on a suitable day of September or October", I hope that such a misunderstanding can be cleared up.

The January conference had a special purpose which was to try to reach an agreement on a procedure for studying and deciding in Canada, in the future, every question concerning amendments to the Canadian constitution. I share your view that this is "a task of capital importance which deserves to be carried out with great care and without ever sacrificing the desired and desirable objective to the temporary and more than dubious advantage of hasty and insufficiently mature decisions".

Apparently, our colleagues of the other provinces also share the same view; I believe this is why we agreed to establish a committee to which every government will impart its views in writing on the best and most practical way of solving the problem. It is the federal government's intention to conform to this.

But there are other problems of interest to both the federal and the provincial authorities. It is with a view to discussing these problems that I made my proposal of a general conference next fall.

The premiers of all the other provinces have expressed their desire to take part in it, and the general tenor of our discussions in January led me to believe that everyone was taking the fall conference for granted, regardless of what progress took place in the constitutional conference. It was

my understanding also that your invitation to meet in Quebec was for the resumption of the constitutional conference discussions. As for me, I should be delighted to accept it if it were also agreeable to the representatives of the other governments.

With regard to the general conference which the governments of all the other provinces desire, and which would undoubtedly deal with problems such as those you mention in the last part of your letter, I should like as soon as possible to tell the other premiers whether the government of Quebec will attend and, if such is the case, what questions you would want to have on the agenda.

I am hoping for your favourable reply, and I express the same wish as you that, during all these conferences, we keep on co-operating as we have done during the constitutional conference "not as leaders of political parties but as representatives of the province" on the one hand, and "of the federal authorities" on the other.

With my salutations please accept, my dear Premier, the assurances of my very distinguished consideration.

Louis S. St. Laurent

ONTARIO

Office of

The Prime Minister and President of the Council

Toronto, February 3, 1950

Dear Mr. Prime Minister:

I have your letter of January 27 relative to agenda for the forthcoming dominion-provincial conference which it is contemplated will be held in September or October next. I shall give this consideration and advise you within a short time.

The fact that there is a dominion-provincial conference called for this fall need not stand in the way of discussions between the federal government and the government of Ontario relative to a wide variety of subjects. I have such things in mind as the following:

1. The integration of dominion and provincial plans relative to public investment. The province of Ontario, with its municipalities and commissions, at the present time has a very large public investment program in operation which is necessary because of the expansion of the province. We have a great many other plans which can be gone ahead with if economic conditions are such that this is required. If the unemployment situation is such as to justify a program of public works, we are quite prepared to discuss this matter with you at any time. Our present public investment program is involving expenditures of approximately $25 million a month. We are most anxious to be co-operative in this matter and if the present unemployment situation justifies concerted federal and provincial action, I am prepared to discuss the matter at once.

2. Ontario is one of the provinces retaining the right to impose corporation and personal income tax and succession duties. There are many matters which might presently be considered to simplify this situation in so far as the taxpayer is concerned. I believe that this can be quite easily worked out and again I may say we are prepared to discuss the simplification of our present systems without waiting for the conference this fall.

3. There are many other matters upon which discussions might be held, such as any overlapping in old age pension administration, division of responsibility in the matter of relief, and things of this sort. My own view is that many of the problems which we have can readily be solved by direct approach and consideration. As far as the government of Ontario is concerned, we are prepared to start now if you so desire.

Relative to the conference this fall, I shall give consideration to the agenda at once.

Yours sincerely,

Leslie M. Frost

Right Hon. Louis S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Canada.

OFFICE OF THE PRIME MINISTER

Canada

Ottawa, February 8, 1950

Hon. Leslie M. Frost, M.L.A.,
Premier of Ontario,
Toronto, Ontario.

My dear Premier:

I wish to acknowledge your letter of the 3rd instant regarding the dominion-provincial conference which it is contemplated will be held next autumn.

I understand you have already been in touch with the Minister of Finance with a view to arranging, at an early date, informal conversations on some of the subjects mentioned in your letter.

I shall look forward to receiving your views as to the agenda for the conference in due course.

Yours sincerely,

Louis S. St. Laurent

PROVINCE OF MANITOBA

Office of the Premier

Winnipeg, August 6, 1949

Right Hon. Louis S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Prime Minister:

Dominion-provincial relations continue to be of great concern to the people of Manitoba. This concern has prompted the Manitoba government to give careful attention to methods by which the two levels of government can work together to improve the general welfare of Canada. Our citizens would be greatly encouraged by evidence that some progress was being made towards achieving a more complete working relationship between Canada and the provinces, particularly in the major fields of public services. To the members of the Manitoba government it appears that the present would be an opportune time to make a careful appraisal of these matters in the light of experience and in the light of present circumstances and prospects. Attention might be directed toward what has been accomplished in this direction through the presently operating seven-provinces agreements and toward such extensions or modifications of present dominion-provincial agreements as might yield mutually beneficial results.

Such discussions would undoubtedly involve the consideration of suggestions which have been made at other conferences and such variations of these suggestions as may seem desirable in the light of present circumstances and of new suggestions which the dominion or one or more of the provinces may wish to make. In view of the extreme complexity and the wide variation in the nature of the issues involved, it does not seem to us advisable to attempt to list specifically, the items which should form the core of the discussions at such a conference. Our first concern in Manitoba would be in regard

to the development of plans designed to insure the financial stability of the provinces and to develop sound productive policies on public investment, on development and conservation of natural resources, on social security measures of various sorts, and on measures designed to encourage industrial and agricultural development generally.

The government of Manitoba is prepared to make its recommendations and suggestions and believes that there is an urgent necessity for bringing under review these and such other recommendations and suggestions as may be made by the dominion or other provinces.

The government of Manitoba, therefore, urges that plans should be made for the calling of a dominion-provincial conference at as early a date as is practicable.

Yours very truly,

Douglas Campbell

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, August 18, 1949

Hon. Douglas L. Campbell, M.L.A.,
Premier of Manitoba,
Parliament Buildings,
Winnipeg, Manitoba.

My dear Premier:

I have discussed with my colleagues the matters dealt with in your letter to me of the sixth instant and particularly your suggestion that plans should be made for the calling of a dominion-provincial conference at as early a date as is practicable.

We of course feel that it is the duty of all those who have responsibility for government in Canada to co-operate with each other to advance the welfare of the people whom we represent.

I am not convinced, however, that the best way for us to attempt to discharge that duty is to come together at once in a full-dress dominion-provincial conference.

In such a conference it would no doubt be felt by some that fiscal matters should be those to be considered first, and even quite recent press dispatches have shown that there are still some who insist that before attempting to go into details "there should be clear recognition of the priority of the provinces as regards direct taxation".

Now, it is quite out of the question, for those who have the responsibility for all matters coming within the classes of subjects enumerated in section 91 of the British North America Act (including national defence), to even consider restricting in any way the legislative authority of the parliament of Canada for "the raising of money by any mode or system of taxation".

That, of course, does not mean that there are not many matters about which there can be and should be wholehearted co-operation between the federal government and the provincial governments.

It has seemed to us that, in view of our past experience, more progress can be made towards bringing about that co-operation by preparatory work consisting of frank discussions with individual provincial administrations about separate concrete questions; and such discussions which, I hope, will be fruitful and prepare the way for a general conference that would not again become abortive, have already been initiated.

As you know, the existing tax arrangements with the seven provincial governments who have entered into agreements with us extend only to the 31st of March, 1952, and we are committed to the calling of a conference not later than one year before the expiry of those arrangements.

It may be that as a result of the separate discussions that have been initiated it will be found desirable to call this conference considerably earlier than one year before the date of expiry of the arrangements, and it may be also that it will be found desirable to have at an earlier date some general conference, with a more restricted agenda, to deal with specific problems about which general agreement might be expected.

That, however, is something about which one cannot be specific until the prospects of being able to accomplish something really useful have been further explored.

Thanking you again for your promise of co-operation, I remain,

Yours sincerely,

Louis S. St. Laurent

PREMIER'S OFFICE
Saskatchewan

Regina, July 15, 1949

Right Hon. L. S. St. Laurent, K.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Please accept my sincere congratulations on the overwhelming vote of confidence which the Canadian people gave to you and your government on June 27. It is now the duty of all of us who believe in democracy and who desire to see our nation progress to co-operate with you and the members of your government to advance the welfare of the people whom we represent.

You will recall that the dominion-provincial conference on reconstruction was adjourned *sine die* on May 3, 1946. At that time the federal government felt that no good purpose could be served by continuing the conference because of certain fundamental differences of opinion that had arisen. While it is true that subsequently dominion-provincial taxation agreements were signed by seven provinces, many of the important questions which the conference was convened to discuss still remain untouched.

Although the federal government may have had reason to feel during the past four years that there was some doubt as to the attitude of the people of Canada with reference to the differences of opinion that occasioned the adjournment of the conference, certainly there can no longer be any question as to the attitude of the Canadian people. On June 27 the electorate gave very emphatic approval to the underlying principles contained in the dominion-provincial proposals of August, 1945, and this was especially true in those provinces where the federal government had some reason to entertain doubt in respect of the public mind on these matters. It is for this reason that the government of Saskatchewan feels that the dominion-provincial conference should be reconvened at the earliest possible date in order to discuss some of the more pressing matters that have been left in abeyance since the first conference nearly four years ago. The problems which the federal government recognized as crying for attention then are even more pressing now.

We would like to see the matter of health insurance tackled without further delay. Saskatchewan, and later the province of British Columbia, have instituted province-wide hospitalization schemes

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which are placing a very heavy financial burden upon the individual taxpayer and upon the provincial treasury. The widespread acceptance of these hospitalization plans is ample proof, if proof were needed, of the keen desire on the part of the Canadian people to have some system of prepaid health services established in some of the provinces at least. I believe most of the provinces would welcome an opportunity to discuss a health insurance program and the immediate steps that might be taken toward its implementation.

At the 1945 conference the federal government offered to relieve the provinces of all responsibility for old age pensioners, seventy years of age and over, and in addition the federal government would pay 50 per cent of the cost of providing a pension with a means test to those from sixty-five to sixty-nine inclusive. While we are opposed to the means test feature of this proposal, we are convinced of the necessity of providing a pension for the people in this age group. The plight of those between sixty-five and seventy is more serious now than it was four years ago. As jobs become more scarce, the plight of this particular age group will grow more serious. I am sure that most of the provinces would welcome an opportunity of discussing with you and your ministers the steps that might be taken during the next few years to care for a group, who, I am sure, are giving all of us a good deal of concern.

One of the reasons why the government of Saskatchewan looked favourably upon the federal government's proposals in 1945 was that they made provision for maintaining "full employment and a high level of national income" during times when an economic recession might restrict purchasing power and precipitate unemployment. The danger of such a state of affairs is just as imminent now as it was four years ago and there are signs that would indicate that it is even a greater potential menace than it was in 1945. The government of Saskatchewan believes that nothing but good can come of discussing and preparing plans that would be available to provide large-scale public works projects of socially useful undertakings. We have every reason to believe that the municipalities of our province, both rural and urban, would co-operate wholeheartedly in the preparation of such plans, and, if it becomes necessary, in their implementation.

The matters referred to above are of vital concern, not only to the people of Saskatchewan but to the other provinces of Canada as well. I am sure that the other provincial governments must feel as we do that the time is long overdue when the federal and provincial authorities should seek to find a solution to these and related social and economic problems. Since the dominion government convened the conference in 1945 and the matter of reconvening it was left to their discretion, I think I am not putting it too strongly when I say that the responsibility for immediate and effective action now lies with you and the members of your cabinet.

I trust that you will not think that I am pressing you unduly so soon after a federal election, but I know that you will agree that these and other related problems are of an urgent nature. We are hopeful that the federal government will now be prepared to give the necessary leadership to tackle these problems with vigour and sincerity.

Assuring you of our willingness to attend such a conference, should it be called, and promising you our co-operation in anything that will prove beneficial to the welfare of the people of Saskatchewan,

I remain,

Sincerely yours,

T. C. Douglas

OFFICE OF THE PRIME MINISTER

Canada

Ottawa, August 18, 1949

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Parliament Buildings,
Regina, Saskatchewan.

My dear Premier:

When I returned to Ottawa after a much appreciated holiday, your letter of July 15 was brought to my attention.

I thank you for your congratulations, and I assure you that I agree it is the duty of all of us who believe in democracy, and who desire to see our nation progress, to co-operate with each other to advance the welfare of the people whom we represent.

I am not convinced, however, that the best way for us to attempt to discharge that duty is to come together at once in a full-dress dominion-provincial conference.

In such a conference it would no doubt be felt by some that fiscal matters should be those to be considered first, and even quite recent press dispatches have shown that there are still some who insist that before attempting to go into details "there should be clear recognition of the priority of the provinces as regards direct taxation."

Now, it is quite out of the question, for those who have the responsibility for all matters coming within the classes of subjects enumerated in section 91 of the British North America Act (including national defence), even to consider restricting in any way the legislative authority of the parliament of Canada for "the raising of money by any mode or system of taxation".

That, of course, does not mean that there are not many matters about which there can be and should be wholehearted co-operation between the federal government and the provincial governments.

It has seemed to us that, in view of our past experience, more progress can be made towards bringing about that co-operation by preparatory work consisting of frank discussions with individual provincial administrations about separate concrete questions, and such discussions, which, I hope, will be fruitful and prepare the way for a general conference that would not again become abortive, have already been initiated.

As you know, the existing tax arrangements with the seven provincial governments who have entered into agreements with us extend only to the 31st of March, 1952, and we are committed to the calling of a conference not later than one year before the expiry of those arrangements.

It may be that as a result of the separate discussions that have been initiated, it will be found desirable to call this conference considerably earlier than one year before the date of expiry of the arrangements, and it may be also that it will be found desirable to have, at an earlier date, some general conference with a more restricted agenda, to deal with specific problems about which general agreement might be expected.

That, however, is something about which one cannot be specific until the prospects of being able to accomplish something really useful have been further explored.

Thanking you again for your promise of co-operation, I remain

Yours sincerely,

Louis S. St. Laurent

Appendix

PREMIER'S OFFICE
Saskatchewan

Regina, September 22, 1949

Right Hon. L. S. St. Laurent,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of August 18, which contains your reply to my request for the reconvening of the dominion-provincial conference.

The Saskatchewan government learned with a great deal of regret that you felt that no good purpose could be served by holding a full-dress dominion-provincial conference. I have reason to believe that our regret is shared by many of the other provinces, and indeed by large numbers of people across Canada. May I respectfully suggest that the main reason given in your letter for not holding such a conference is hardly germane to the question under discussion. After all, the dominion-provincial conference on reconstruction was convened by your government and the agenda was drafted by the members of your cabinet. I would take it for granted that if you chose to reconvene the conference you would again accept responsibility for preparing the agenda. It is true that in my letter I suggested that such matters as health insurance, old age pensions and responsibility for able-bodied unemployed should be subjects for discussion, but only because these were placed on the agenda by your government in the first place. At no time did I suggest that we should "consider restricting in any way the legislative authority of the Parliament of Canada for 'raising of money by any mode or system of taxation' ". I can quite appreciate the fact that the dominion government would not look with favour upon restricting its fields of taxation, but I made no such suggestion and I doubt that anyone would expect your government to place such an item on the agenda in preparation for such a conference.

Your suggestion that more progress can be made by frank discussions with individual provinces about separate concrete problems is open to question. It is true that there are specific problems regarding difficulties which are peculiar to certain geographical areas which can be handled better by individual discussions. However, this is not true when we come to deal with matters which affect the whole Canadian economy more or less uniformly. I am sure that there is hardly a province in Canada which is not already wrestling with the problem of responsibility for the able-bodied unemployed. This is a responsibility which the Rowell-Sirois commission recommended should be assumed by the federal government, and in August 1945, this was one of the proposals advanced by your government on their own initiative. Already our urban municipalities are confronted with the problem of caring for the employable unemployed, and I am sure that their experience can be duplicated in almost every urban centre of Canada. The Saskatchewan government contends that this is a state of affairs which ought not to be dealt with on a piecemeal basis, but ought to be the subject of general discussion of all the governments concerned and some uniform policy adopted across the Dominion of Canada.

I am pleased to note that you hold out the hope that it may be found desirable to convene a conference with a limited agenda. As I have already stated, the matter of the agenda lies largely with your government and you will have to accept the responsibility as to how limited the agenda will be. If it is so limited as to exclude matters which vitally affect the welfare of the people of Canada, then your government must accept the responsibility for the limited results which the conference can achieve. Certainly it seems to me that the items which are listed in my previous letter are the irreducible minimum which ought to be on the agenda of such a conference, but whether extensive or limited it is the firm conviction of the Saskatchewan government that the dominion-provincial conference should be reconvened before some of the difficulties confronting the provincial and municipal governments reach alarming proportions.

May I urge upon you and your colleagues the reconsideration of this whole question. Indications from other provincial governments would lead me to believe that some of them are also vitally concerned lest there be further delays in tackling some of the pressing problems that are the concern of all who are charged with governmental responsibility.

Yours sincerely,

T. C. Douglas

HOUSE OF COMMONS

Friday, February 17, 1950

The house met at three o'clock.

NEW DEPARTMENTS

RESOURCES AND DEVELOPMENT, MINES AND TECHNICAL SURVEYS, CITIZENSHIP AND IMMIGRATION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on November 26 last, during the course of the discussion on the bills that were then before the house for the establishment of three new departments, the hon. member for Peel (Mr. Graydon) suggested that when the departments were set up it would be convenient to have charts prepared showing the branches of the service that would be included in each new department.

The departments were set up in accordance with proclamations which were published in the *Canada Gazette* of January 28 at pages 320 and 321. We have had charts prepared showing the distribution of the branches of the service among the new departments, and I should like to table two copies of each of these charts and to say that they have been made available for distribution to all hon. members of both houses.

Mr. Graydon: They have been distributed already.

REPORTS AND PAPERS

(For list of departmental and other reports tabled, see *Votes and Proceedings*, No. 2, of February 17, 1950.)

CANADIAN NATIONAL RAILWAYS

REDUCTION IN PASSENGER TRAIN SERVICES—COAL SUPPLY

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to address a question to the Minister of Transport. When may we expect the service of the Canadian National Railways in Canada to be restored to normal?

Mr. Coldwell: Perhaps the minister might answer at the same time the question I sent him a day or two ago. I will not repeat it.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, the leader of the C.C.F. party (Mr. Coldwell) was good enough to send me some two days ago notice of a question similar to that which the hon. member for Peel (Mr. Graydon) has asked. In fairness to members on this side of the house who have also been pressing for a statement on the subject, I think I should say that at the time I received notice from the hon. member I already had a statement prepared on the situation, because I expected that some such question would be asked. With the permission of the house I should like to read it now.

On December 28, 1949, the Canadian National Railways announced reductions in passenger train service equivalent to approximately 25 per cent, effective January 9, 1950. These were made necessary by the reduction of the stockpile position of coal on the Canadian National Railways. Neither the government nor myself was previously advised of this decision.

Since the reductions were announced, officers of my department and myself have been in constant touch with the management of the Canadian National on this question of coal supply. I have asked the new chairman and president, Mr. Donald Gordon, to give me a memorandum setting out in detail the events leading up to the decision curtailing passenger train services. At my request, Mr. Vaughan, the former chairman and president, has given me a letter of explanation of the circumstances which brought about the present situation.

I would like to summarize to the house these events.

First of all, the board of directors of the Canadian National Railways, at its meeting in October, 1948, approved an objective of 2,365,000 tons of coal for stockpile as at December 31, 1949—this being about four and one-half months' supply. I am advised that if this stockpile objective had been obtained, a reduction in train services would not have been necessary unless there had been a complete interruption of supplies covering, say, a three or four months' period. Early in June, 1949, Mr. Vaughan, then president, gave instructions to the purchasing department to keep the coal stocks of the C.N.R. at approximately three months' supply. He was of the opinion that such reserve was ample to meet any emergency. The events which occurred in the coal industry, coupled with the decision of Mr. Vaughan, had the effect of reducing the stockpile objective, as set out by the board of directors in October, 1948, from 2,365,000 tons to 1,043,000 tons at December 31, 1949. This meant that a condition of emergency existed, since the coal supply in the heavy traffic

region of the Canadian National was at that time only from twenty-four to twenty-six days. I may say that the over-all position of the Canadian National was somewhat better than the twenty-four to twenty-six days which I have just indicated.

It is well known that there has been a series of work interruptions in United States mines from June, 1949, to the present time. There were work stoppages, vacation periods, a three-day-a-week work program, a fifty-one day strike, a walkout, and at the present time a general strike throughout United States coal fields since February 13.

While orders for the purchasing of United States coal have been held to a minimum in accordance with the government policy of the conservation of United States dollar expenditures, the actual orders placed for Canadian and United States coal generally would have been sufficient to meet requirements if regular deliveries had been maintained from the United States mines. Unfortunately such a condition did not prevail, and late in December the Canadian National had to curtail passenger train services in order to maintain coal supplies. The reduction in passenger train services put into effect totalled some 89,000 miles, bringing about an estimated reduction in coal consumption of approximately 1,000 tons per day. The passenger train miles which were cancelled were distributed as follows for the various regions:

Atlantic region	13,700
Central region	45,800
Western region	26,300
United States lines	3,200

The development of the labour disputes in the United States mines, and the interruption of coal deliveries, found the Canadian National with an inadequate stockpile position, and action had to be taken to conserve system stockpiles and use them to the best advantage so as to reduce public inconvenience to a minimum. I am firmly convinced that the precautionary measure taken by the Canadian National to reduce temporarily passenger train services by 25 per cent was fully warranted by the conditions which I have described, and I also believe that it was only fair that all sections of Canada should be treated in the same way so far as the reduction in passenger train services was concerned.

It is most unfortunate that the situation which I have reviewed culminated in a temporary reduction in the Canadian National passenger train services. I can assure the house that as soon as the coal supply situation improves, the passenger train services which have been curtailed will be reinstated. I wish also to assure the house that at no time did the management of the Canadian National consider reducing its passenger train services with a view to financial economies. On the contrary the reduction in passenger train services was resorted to in order to conserve the dwindling coal stocks, and to prevent, if possible, subsequent greater reduction in train services, as happened in the case of the railways in the United States.

Mr. Graydon: I should like to ask a supplementary question which is being asked by many people, including the employees of the Canadian National Railways. While train services are being curtailed by the Canadian National, apparently the Canadian Pacific has plenty of coal. Surely there should be some explanation of this error in judgment on the part of the Canadian National management, as a result of which the Canadian Pacific is said to be now getting a great deal more business.

Mr. Chevrier: I tried to bring that out in the statement I have just made; but I would say that the positions of the Canadian National and Canadian Pacific in this country are entirely different. The main mileage of the Canadian Pacific is in western Canada, whereas the greater part of the mileage of the Canadian National is in central Canada, Ontario and Quebec. Speaking from memory, I believe the Canadian National have some 11,000 miles of railway east of Manitoba, as opposed to some 5,600 miles operated by the Canadian Pacific. In other words, for the most part the Canadian Pacific is operating in a region where there are coal mines, whereas the Canadian National is operating in central Canada where there are none.

Mr. Brooks: I should like to know if it would not be possible to get more coal from the maritime provinces, and why more coal was not obtained there by the Canadian National Railways.

Mr. Chevrier: That is a question which it would require some little time to answer in detail. Generally speaking, however, the Canadian National is taking from the maritime provinces, as well as from western Canada, all the coal it can get at the moment.

Mr. Brooks: That is not the impression in the maritimes.

Mr. Chevrier: Even if the Canadian National had taken all the coal it could have obtained in 1949 in the maritime provinces and in western Canada, the present position would have been no different.

Mr. Isnor: Can the minister tell us what quantity of the 2,365,000 tons of coal in the stockpile came from the United States and what quantity came from Canadian mines?

Mr. Chevrier: I am sorry, but I have not that information at my fingertips.

Mr. Isnor: Perhaps the minister would be good enough to give it later.

Mr. Graydon: Why not tell us yourself?

Mr. Gillis: Will the minister say whether in his opinion, in view of the statement he has just made, a 25 per cent reduction in train services in the maritimes was necessary, having in mind the fact that plenty of coal was available there to provide the service?

Mr. Chevrier: My hon. friend bases his question on the assumption that there was plenty of coal.

Mr. Gillis: The provincial government said so.

Mr. Chevrier: I am telling my hon. friend now that according to the information I have in my possession, emanating from Canadian National Railway sources, there was not available in the maritime region all the coal that they hoped to get. They are receiving full co-operation from the maritime region at the moment, and are taking all the coal they can obtain; but that did not always prevail.

As to why the reduction in service was carried out all over Canada, the Canadian National management thought—and I am of the opinion as well—that the fair thing to do was apportion the reduction in all parts of Canada. If that had not been done the transcontinental trains probably would not be operating.

Mr. Coldwell: In view of the circumstances I should like to know whether the government and the railways will give consideration to the greater utilization of Canadian coal and oil in the operation of our railway systems.

Mr. Chevrier: My hon. friend raises quite an important point. As he probably knows, it has been the policy of the Canadian National to change from coal-burning to oil-burning locomotives in western Canada. I think the hon. gentleman knows that in all British Columbia and in parts of Alberta and Saskatchewan, oil is used exclusively. It would take about six months to convert from oil to coal. In an emergency situation such as this, consideration could not be given to that action. In eastern Canada, by which I mean the central region, the same situation would obtain if we had to convert from coal to oil; it would take several months. The Canadian National had to come to a decision quickly when this emergency position developed, and in the circumstances I think it took the logical and best decision.

Mr. Graydon: If I might impose upon the minister by asking one other question, can he tell us what proportion of the coal used by the Canadian National is mined in Canada and what proportion is mined in the United States?

Mr. Chevrier: I do not think I can answer that question accurately, other than to say that some 19 million tons of coal are produced in this country, of which some 6,500,000 tons coming from the maritime region and 5 million tons coming from the western region can be used for railway purposes. In the past it has been the policy of the Canadian National Railways to get coal for the central region from United States sources, because they were closer. To haul coal all the way from Nova Scotia to western Ontario is not a profitable enterprise. But the Canadian National have tried to buy all the Canadian coal they could; and, following the policy of the government in curtailing expenditures in the United States, in the recent past they have been looking toward a greater consumption of Canadian coal.

Mr. Graydon: Perhaps the minister would give us the percentages later?

Mr. Chevrier: I shall be glad to do so.

COMBINES INVESTIGATION ACT

INQUIRY AS TO APPOINTMENT OF COMMISSIONER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Will the Minister of Justice say how soon an announcement will be made concerning the appointment of someone to fill the post of commissioner under the Combines Investigation Act?

Hon. Stuart S. Garson (Minister of Justice): I can give an estimate, Mr. Speaker. I would say in about one week.

EXTERNAL AFFAIRS

CHINESE NATIONALIST BLOCKADE

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): Has the Secretary of State for External Affairs been advised of the blockade the Chinese national government claims to have established in relation to certain portions of the Pacific ocean adjacent to China? If so, have Canadian shipping interests been advised of the dangers their vessels may encounter in traversing those waters?

Hon. L. B. Pearson (Secretary of State for External Affairs): We have been advised of that situation, and Canadian shipping companies have been informed of it.

MEETING OF COMMONWEALTH FOREIGN MINISTERS AT COLOMBO, CEYLON

On the orders of the day:

Mr. Gordon Graydon (Peel): In view of the interest being taken in the Far East generally, and in the Ceylon conference, can the Secretary of State for External Affairs say when he expects to be able to make a statement to the house with respect to these very important matters?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I hope to be in a position to make a statement on this matter at an early stage in the debate on the address.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. F. H. LARSON AND SECONDED BY MR. ARMAND DUMAS

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

Mr. F. H. Larson (Kindersley): Mr. Speaker, in the face of the ability and eloquence that are found in this house, I feel that the task which has been assigned to me this afternoon could have been placed in more capable hands. I would feel much more qualified for this task if I were able to add a few words in French. I hope the members who were born into the oldest society in this country will realize that, although I do not feel capable of using their language, I have the kindest feelings towards them. Indeed I already number many of them among my personal friends. Were it not for the fact that I number so many of the members on all sides of the house as my personal friends, I would have been extremely reluctant to accept the invitation to carry out the task now before me.

I have received several communications from people of my constituency expressing the honour they feel has been done them this day, and I ask your permission, Mr. Speaker, to say a few words on their behalf, as well as on behalf of the western part of this country which is my home.

About the turn of the century, the tide of Canadian growth was pushing steadily westward into the plains of western Canada. Our fathers and grandfathers brought their families to this immense prairie country to settle on farms and make their homes. I should say there are few countries in the world that did not make their contribution to the settlers who poured into western Canada. In direct contrast with central Canada, where the people came mainly from two great racial stocks, British and French, the people of the plains came from many.

To live together in any degree of peace, these people were determined to understand each other; tolerance, therefore, has become the keynote of cultural development. Personal liberty and freedom are the intense desire of all. The people of Kindersley constituency are typical of this development, and tolerance to their neighbours has eliminated fear of them. They live by either farming or ranching, and those who live in the towns or villages depend on farming for their livelihood. There are several large cattle ranches. In an area in the south of the constituency, large-scale wheat farming is carried on, while in the north there is an area in which the people tend to live closer together and carry on mixed farming, much as you would find it in Ontario.

In the years of prosperity our farmers and ranchers derive a large annual income from their occupation. At this point may I say that they have asked me to tell the minister that, while they do not mind paying their fair share of the income taxes, their methods of bookkeeping are such that it is extremely difficult to keep detailed figures for years back. It would help them immeasurably if, after filing their income tax returns the department would make a final assessment within eighteen months, and, after that, consider the period closed. When a farmer plants his crops he has not the slightest idea what his eventual profit will be from that crop. Even if he tried to estimate it the day before he harvested the crop, he could still not do so with any degree of accuracy.

I believe that if a man is in a position to do so, he should attempt to keep at least one crop in storage on his farm. Then if anything happens to him, in all fairness to his family some part of these salable commodities should be considered as corpus in his estate.

When our people came to the plains, they naturally gravitated towards places which exhibited the same soil characteristics as those which were found in their homeland. Few figures on climatic conditions were available. It was like grabbing out of a hat and trusting you were right. Since that time universities and government departments have carefully tabulated these things. Cyclical theories of climate have been worked out.

From this data our government has accepted the fact that a resettlement program for many parts of the western plains is necessary. Indeed, under the direction of the Minister of Agriculture (Mr. Gardiner) this

resettlement program is well under way. As I mentioned, Mr. Speaker, the large grain farm and the large ranch provide the livelihood of a number of our people. In time of war or other national emergency, our sparse population produces a tremendous surplus of food to give life to our fighting forces and hope to whole populations that have lived under the shadow of starvation. The sight of millions of acres of waving grain or luscious ranchland brings to the observer a sense of spaciousness and freedom not possible in any other place. It is a mystery to many how all this wealth can disappear and leave desolation, as happened generally twenty years ago and in some areas during the past few years.

It is all a matter of rainfall. We live continually under the threat that not quite enough rain will fall to mature our crops or support our herds of cattle. It is true that those who were fortunate enough to get heavy gumbo land or pasture land have continued to prosper on the plains with few setbacks. Many were not so fortunate; so you are asked from time to time to vote money for prairie farm assistance and prairie farm rehabilitation, in an endeavour to put everyone on a more or less equitable basis. It is the earnest hope of the Minister of Agriculture, whose policies have done so much, that as the years go on, and irrigation, reclamation and resettlement develop, such expenditures as prairie farm assistance will disappear. Then, the plains can fulfil the hopes that the governments of Sir John A. Macdonald and Sir Wilfrid Laurier envisaged when they supported plans to push railroads and settlers into the vast plains country.

It is to be regretted that the very things that make Canada great, far beyond her years, are the barriers to complete understanding and unity of our people. The beauty of our Rocky mountains is unsurpassed by any others in the world. They produce tremendous wealth in minerals, but many people never cross them to know their neighbours on the other side. In the same manner the plains are divided from central Canada by a region tremendously rich in minerals, but many westerners never cross that region to know the people in the east, as we call it. When we think of the maritimes, it is practically a different world.

While these appalling distances tend to divide Canada into virtually several countries, we must realize how much these sparsely inhabited regions contribute to our national wealth, and conscientiously make an effort to overcome the disadvantages. The present government is to be highly commended for its policies which fully recognize the nationhood of Canada, and stay strictly away from attempts to break Canada into its various components.

I feel that I may be open to criticism for not taking issue with the government on some of the matters of a more contentious nature. I, however, do not believe that localized matters, where there may be some hardship, should be allowed to colour the entire assessment of the general policies.

I express only my own opinion, but I believe a recent event was used as a field of trial for the policies of this federal government. My good friend, the late Paul Prince, M.L.A. for The Battlefords in Saskatchewan, passed on and I feel that there is not too great a tribute I could pay to his memory. His passing precipitated a by-election. It was apparently necessary to hold the election in the middle of a severe winter, making it a real hardship for the farmers to get to the polls. I am reluctant to rehash elections in this house, but the Liberal leader in Saskatchewan, Mr. Tucker, endeavoured to keep the campaign on a provincial basis; others, however, came in criticizing the federal government as to its agricultural marketing policies and as to all the other contentious matters that were discussed in this house last session. We had to defend those policies.

For years the seat has been evenly divided. All factors tended toward putting the federal government on a real trial. You all know the result. In spite of this the people backed up the policies of the federal government. For this reason I feel that I have no real licence to criticize too severely the policies of the federal government.

The trans-Canada highway is a huge undertaking considering the vast distance involved, and the government's determination to complete this project will do much toward unifying Canada. At this point, Mr. Speaker, I hope you will not mind my suggesting to the minister, if he has any control over the matter, that after the highway leaves Swift Current in Saskatchewan it should turn north to a point directly east of the city of Calgary; in that way the thriving city of Saskatoon would be put within easy reach of its facilities.

It is the duty of every Canadian to support his government in its endeavour to more solidly unify this vast and wonderful country. I appeal to everyone to learn all he can about other parts of Canada, even though he cannot visit them; to understand the problems which face his neighbours one or two thousand miles away; to understand their racial or religious culture and to appreciate their economic successes and difficulties.

I note with great satisfaction the gradual disappearance of the term "fight for the east"

or "fight for the west" or "fight for the maritimes" or fight for some other group. The past decade has shown that our thinking on these matters has become more and more mature. I hesitate to state the causes for this gradual binding together of the Canadian people, but there are several factors which definitely enter into it.

I would say that meeting the common danger in the two great wars had a great effect on unifying the people of this country. The moving around of people both in and out of the services also contributed. Air travel has become common, and transcontinental fares have become low enough to allow many people, otherwise confined by press of business and press of affairs, to meet their business associates and friends across the country, and to get to know them.

Your government now carries all first-class mail by air if it will bring your letters to their destination any quicker. This means a tremendous saving especially to businessmen, who can now correspond where formerly they had to wire or telephone. I still feel, however, that the policies I have the privilege to support are the largest single factor. Indeed, I have the honour to move, seconded by the hon. member for Villeneuve (Mr. Dumas):

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

To His Excellency Field Marshal the Right Honourable the Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order; upon whom has been conferred the decoration of the Military Cross; Governor General and Commander in Chief of Canada.

May it please Your Excellency:

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

I am happy to note that once again, as in the past, the policy of the government is to continue to carry out measures to unify this country. At the dominion-provincial conference no attempt was made to force the majority viewpoint on any minority. It is realized full well by the government that to attempt to force any measures through such a council without unanimous agreement would serve only to disrupt the forces of unity in this country. Only the principles which were obviously necessary and concurred in by all were established. Agreement was reached concerning the contentious point that, in any matters which concerned parliament only, the constitution could be amended by parliament alone. This was a great step, because there are many in this house who feel that any such move should be made only after consultation with the provincial authorities. The provincial premiers, themselves, however, have agreed that, in a general scheme of amendment, matters concerning parliament alone can be dealt with by parliament alone.

Further, it was established that in fundamental matters the consent of all the provincial authorities should be required and that in any matters, except fundamental rights, which concern parliament and all the provincial legislatures, provision should be made for amendment by an act of the parliament of Canada and acts of such majority of the legislatures and upon such additional conditions, if any, as may be decided upon.

It has now become apparent that the federal government has no intention of forcing its will on the provincial authorities. It also becomes apparent that the entire matter will not be settled at one fell swoop but rather will be a development which will take place over a period of months or even years. It appears to me that the effect will be to foster a condition of mutual trust between the provincial authorities and the federal government. If this tendency can be carried along without violent disagreement, necessary changes of even a contentious nature can be negotiated, thereby fostering within the country the spirit of unity that this government and the citizens of Canada themselves so earnestly desire.

In the broader realm of international affairs we also attempt to show the spirit of neighbourliness which is so important to world peace. With our own country showing this spirit of co-operation within itself, our representatives can go into the councils of the world confident that they can help this spirit to permeate the international councils. It is to be regretted that the United Nations is not yet the final council for settling world affairs. We earnestly pray God that mutual defence pacts within the United Nations will eventually become unnecessary. In the meantime the Atlantic pact nations are to be commended on their ability to ensure a block of peace-loving democracies strong enough to make aggression an extremely hazardous undertaking, while still being able to work within the council as a whole.

It affords a great deal of comfort to the people of Canada, indeed to North America, to know that the signatories to the North Atlantic pact are working so well together, and that plans are well advanced for the defence of this hemisphere in the event it

becomes necessary. However, with the knowledge that those whose activities tend to disrupt world peace might launch a blitz attack with a great deal of force and terror, there is the fact that they are not yet industrially strong enough to carry on a protracted war. The show of strength in the western hemisphere should deter their hand until some formula for settling international differences around the council table can be worked out.

I am a great admirer of both Great Britain and the United States; but we have the almost impossible situation of inconvertibility of our currencies. Commenting on the British position to Beland Honderich, financial editor of the Toronto *Daily Star,* Sir Stafford Cripps touched on this particular subject, and it appeared in the February 11 issue of that paper. I feel that his actual words portray the situation, and with your permission, Mr. Speaker, I should like to quote them:

> The dollar problem is so complex and deep-rooted that no simple or easy solution can be expected. The acceptance by Canada of sterling instead of dollars in payment for some United Kingdom exports would not in itself solve the problem.
>
> This wouldn't really solve anything. It would only defer payment. Some day you would have to tear up the sterling and forget about it or receive payment in some form or other. It is not a permanent solution. It would really be a Canadian credit given without interest.

No matter how rich and powerful the great republic of the United States may be, it cannot continue to lend or give billions to Europe for rehabilitation.

The western nations of Europe are making great strides toward economic recovery but this recovery can never be complete until currencies can be exchanged on the world markets. I am very much afraid if this is not accomplished very shortly the economic result will have a disastrous effect on the strength of the Atlantic pact. Since the United States must take the lead in this move I earnestly appeal, and I know it is with the concurrence of this government, that she make a most diligent attempt to correct this difficulty.

Speaking to the Canadian Society in New York, the Prime Minister (Mr. St. Laurent) made certain suggestions regarding the solution of this problem of currencies, and I cannot do better than use the words which he uttered at that time. The Prime Minister said:

> But I do not think we can afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries and, indeed, all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets.
>
> It is, after all, only by accepting imports from other continents that we in North America can hope to reduce the real cost to ourselves of our contribution to the common security of the free world.
>
> And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for those agricultural and other surpluses beyond our own needs which both our countries do actually produce.
>
> Canada, in this matter also, is in a somewhat different position than the United States. Though we still export rather more than we import, our over-all exports and imports are not too far from a balance. But, as I have already said, we in Canada import from the United States far more than we export to this country, and we export to Europe far more than we import from Europe.
>
> That is why Canada, too, has a dollar problem.
>
> We, therefore, have a special interest in freer multilateral trade and, though I am not an economist, that seems to me to mean freer entry to this country both for European exports and for our own.
>
> I would not venture to advocate the reduction of tariff and other trade barriers as any special favour to us. But it does seem to me that such a policy might make a tremendous contribution to the security of the free world generally and the United States in particular.
>
> A century ago, England found herself in much the same position the United States has today. England was then the greatest industrial nation, the wealthiest nation and, therefore, the greatest potential market.
>
> She opened that great market freely to the world and, whether as a result or merely as a coincidence, the world—herself included—enjoyed more than half a century of comparative peace and economic progress.
>
> Might it be possible that history has there a lesson for this continent and this country at the midpoint of the twentieth century?

That is the end of the quotation. The greatest assurance of peace lies on a high level of international trade. The critics of this government say that we are losing our trade, but I believe the policies of the government will insure a high level of trade for many years. If we can, in the not too distant future, sell our food products to Britain for pounds and then pay the United States for our imports in those pounds, I see no immediate cause for worry. This may be theorizing but in my opinion the adjustment is necessary and must be made soon.

In our own defence activities the policy of keeping agriculture and industry at a high level of efficiency will ensure food and equipment in the event of emergency. It would be impossible to retain very large standing forces in Canada. Our industrial efficiency would suffer and our economic position would be impaired. However, we can train, and are training, an adequate number of men in all the services and giving them such training that if an emergency develops we shall have a good number of expert teachers who will soon be able to bring our fighting forces up to emergency requirements.

The policy of developing prototypes in aeroplanes and other equipment and keeping our factories at the ready is the only correct

policy. In the second war Germany built a huge reserve of planes which were far ahead of their time, but as we developed our aviation we outdistanced them in quality and numbers. The matter of carrying a force to be ready always to withstand the shock of an attack by the aggressor and carry the attack to him is beyond the ability of a nation like Canada. But we can be thankful that our powerful partners, Britain and particularly the United States, have an industrial and economic strength to fill this vital role.

Now, Mr. Speaker, let us examine for a moment our domestic affairs forecast in the speech from the throne. If employment is kept at a high level and agricultural prices are good we have the basis for a sound internal economy.

Let us turn for a moment to the position of labour. During the war employment and wages were at an extremely high level. This winter there has been a good deal of talk of excessive unemployment. I believe that a good deal of this difficulty has come through the extremely cold and stormy winter that we have had west of the great lakes. Also the war drew many men from agriculture into industry. There is talk of unemployment in the larger centres but I find farmers having a hard time to get good men to do farm work. I also know that many farm buildings and homes in small centres are going unpainted because of lack of men to do the job. Carpenters, plumbers and men in all such trades are difficult to get in the smaller centres.

I am glad to hear that a measure will be brought before parliament to extend the benefits of unemployment insurance. However, I feel that a move of a good deal of labour from the cities to the smaller centres would add security to those individuals and greatly minimize the hardship they may suffer.

In the history of the industrial revolution are many instances of management exploiting labour, and the trade union movement was forced on labour. The result of this movement has been that people who sell their skills have reached the position where they can now walk in the same dignity and the same pride as the richest men in the country. This adds immeasurably to the unification of the nation, because there is nothing quite so disrupting as a large dissatisfied group within a nation. I must sound a warning here: trade unions are becoming so powerful that they can disrupt the whole economy if they choose to do so, as evidenced by the coal strike in the United States.

I feel that the leaders of these great movements would do invaluable service to the country if they realized that, through their efforts, they had put labour on an equal footing with anyone in the country, and that there is no longer a struggle for equity. Their position should now be that of statesmen with the welfare of the entire nation their responsibility. I find it hard to believe that the coal strike in the middle of winter, bringing with it such hardship, was necessary to the welfare of the miners.

In the matter of public health, so vital to the nation, measures are being introduced for the further benefit of all. I strongly urge that, with the greatest possible dispatch, the matter of old age and other pensions be incorporated into an over-all social security scheme.

Veterans' legislation is to be expanded. As a veteran myself, I feel that the treatment of world war II veterans will stand as a monument to the fair-mindedness of the Canadian people in accepting the increased taxes necessary to carry out those great veteran rehabilitation plans.

I do not wish to bore you, Mr. Speaker, by endeavouring to go into every single detail of His Excellency's most gracious speech. I feel that, to the best of my ability, I have covered, in all phases, most of the principles involved, with the exception of agriculture.

I should like to conclude by speaking briefly on this subject. The entire Canadian economy is perhaps affected more by the economic position of our farmers than by any other single class of people. The downward adjustment in prices of agricultural products, which was not unexpected, has been cushioned by government support, to take up seasonal surpluses. This has the effect of giving adequate prices to the producer when his crops come on the market, and protects the consumer in the cities against prohibitive prices when products are out of season. He can still buy them, rather than leave them on the shelves of a merchant's store.

With reference to wheat, which is our major agricultural export commodity, different methods must be used. We have had a large portion of our wheat under contract direct to Britain. In some ways this method is good, but the idea of a world food pool, out of which importing countries can draw, is probably a more equitable way of distributing food to the world.

It should be noted that, even at the price of $2 a bushel, wheat is still the cheapest food people can eat; but at whatever level this commodity is traded, I can safely say that what the wheat producers desire most is an orderly, steady market for a large portion of our crop. I do not believe that agriculture, organized or unorganized, will ever be satisfied with an uncontrolled open market. We have developed a good market for our cattle

and meat products; and with this industry on such a stable basis I believe it will continue to grow and to develop.

The Prairie Farm Rehabilitation Act has taken many of the hazards out of mixed farming by providing farmers with technical help, and has shared the expense of providing water supplies. The community pasture program, linked with resettlement, has stabilized the economy of many communities. I urge strongly that the Prairie Farm Rehabilitation Act be expanded so that no one will be trying to grow wheat on ranch land. Irrigation is the answer, and I sincerely hope that in the near future all Canada will be receiving benefits from this program of irrigation and reclamation. The maritime marshland reclamation project, as well as that in British Columbia, give definite evidence that the government is behind the move of the Minister of Agriculture (Mr. Gardiner) in his great undertaking to make most efficient use of those three vital factors in an agricultural economy—people, land and water. I do not believe any department which could be set up to carry out this work could combine as effectively these three vital factors as could the Department of Agriculture.

It is evident from the deliberations of various organizations which have held conferences since the last session of parliament, including the dominion-provincial conference, that that conference as well as the farm organizations feel that the government is doing all within the power of any government to keep our economy, both internal and external, at a high level.

There is evidence that agreement will be reached among the provinces and the federal government on matters affecting constitutional changes. As a nation we are more united than we have ever been in the past. In the light of these accomplishments, and future proposals, and with the knowledge that the Canadian people have confidence in His Majesty's ministers, I take great pleasure in moving the address.

(Translation):

Mr. Armand Dumas (Villeneuve): Mr. Speaker, it is with deep emotion and a justifiable feeling of apprehension that I rise in this house to discharge the honourable but delicate duty entrusted to me. Needless to say I expected to experience those feelings, which are probably common to all who make their maiden speech in this house. Nevertheless I felt duty bound to accept this mark of confidence and to seize this opportunity of speaking on behalf of my constituents. I am convinced the house will not deny me its usual forbearance towards beginners.

I am very happy to second the address in reply to the speech of His Excellency the Governor General to both houses of parliament on the occasion of the opening of the second session of the twenty-first parliament. I am pleased to do so because the honour bestowed upon me is reflected on the population of the district of Villeneuve, which I represent here. This honour is well deserved by the pioneers of northwestern Quebec, whether they be settlers, farmers, forest workers, prospectors or miners. The land surveyors' guild and the association of forestry engineers, both professional groups to which I belong, also feel honoured. On behalf of all of them, I wish to express my sincere thanks to the Prime Minister and the members of his cabinet.

(Text):

My first duty, Mr. Speaker, is to extend to you my salutations and to pay you my respects. Throughout the last session you presided over the debates of this house with great dignity and impartiality, and hon. members are pleased to see you once more in the chair, because they know they can rely on your kind disposition and the manner in which you will exercise your authority.

I should like to add a personal word to the tributes that have been paid to our late colleague, T. L. Church. The confidence which his electors showed in sending him steadily to this house for a quarter of a century is the best evidence there could be of the esteem in which he was held by all. Tommy Church was a model for us all. He was a hard worker; he knew what he wanted, and he wanted what he knew. His memory will remain for ever with us.

The time has now come to congratulate the hon. member for Kindersley (Mr. Larson) upon the brilliant way in which he has moved the address. His substantial exposé brings to our minds the golden and nourishing crops of his province, and the logic of his argument suggests the iridescent symphony of wheat fields undulating in the breeze.

There is now missing from this house a familiar personality whose memory I should like to evoke. Hon. Colin Gibson served brilliantly as Minister of National Revenue, Minister of National Defence for Air Services, Secretary of State, and Minister of Mines and Resources. It was in his last capacity that I had the privilege of knowing him well, when during last fall I accompanied him on a tour of the mining establishments located in my constituency. In his new position as

justice of the Supreme Court of Ontario Mr. Gibson will honour the judiciary as he honoured this house.

To the hon. member for Grey-Bruce (Mr. Harris) I extend my congratulations upon his becoming a member of the cabinet. There are no doubts in the minds of those who have known him that he will be competent and successful as Minister of Citizenship and Immigration.

(Translation):

On January 10 last, the intergovernmental conference called for the purpose of considering a procedure to amend the constitution opened in this chamber. We all know the importance of that conference and the significance of the decisions taken. The earnestness and discretion shown by the press from the Atlantic to the Pacific in discussing the problems involved is adequate evidence of the concern of the Canadian population and of the common desire to reach a fair and equitable solution. The very future of Canadian sovereignty is at stake.

I am glad to recall the great courtesy and the remarkable political insight shown by the Prime Minister (Mr. St. Laurent) in directing those proceedings. I would like also to recall how fully co-operative were all our provincial premiers, especially those of my own province, of Ontario and of Nova Scotia. The Canadian people have been pleased with the initial results of the conference. There is no doubt that the intergovernmental committee which was set up to continue its work will carry on with the same concern for harmony, and seek to achieve unity in Canada through respect for the rights of all Canadians. May God assist its members in their endeavours and bless their work.

We hope to witness in the near future the birth of the Canada charter, a model of fairness and justice. May it be flexible enough to guarantee the rights of all the provinces as well as those of the two great races which make up the whole country, while at the same time providing the federal government with the necessary powers to look after the interests of a united Canada, of a Canada whose wealth is a guarantee of strength.

The electoral district of Villeneuve, which I have the privilege to represent, has been named after an illustrious and holy prelate and a great Canadian. It was created during the last parliament by dividing the old district of Pontiac. It is located in the northwest part of the province of Quebec. The people there are engaged in farming, lumbering and mining. Half rural and half urban, Villeneuve county is proud of having, in the order of their foundation, such cities as Rouyn, Noranda, Val d'Or, Bourlamaque, Malartic, Duparquet and Cadillac. The oldest are not twenty-five years old. I could also mention mining villages like Sullivan, Perron and others. Farm settlements are rapidly being replaced by fine, fully organized parishes. A few years hence, Villeneuve county will, from an agricultural standpoint, compare favourably with any other area in Canada.

I would be remiss in my duty, Mr. Speaker, if I failed to praise before the house the courageous people of my constituency for the splendid way in which they have developed, in record time and often under difficult conditions, the vast resources which Providence has bestowed upon the county of Villeneuve. The settlers and prospectors of my constituency, who daily add to our national heritage, show the same courage and perseverance as our pioneering forefathers and the same initiative and endurance as the coureurs de bois who discovered and channelled our wealth.

Because it is not yet fully homogeneous, because it daily faces the problems inseparable from the development of a new country where everything awaits to be done and where the slightest deficiency may prove fatal, because it lacks the security afforded by long standing assets, the population of my constituency, though very industrious, can better than any other appreciate the benefits that stem from social legislation initiated by liberal governments. My constituents warmly cheer the throne speech proposals to widen the scope of previous enactments.

To mention only housing legislation, for instance, the cities of Rouyn and Val d'Or have, already, to a great extent availed themselves of opportunities offered to them, while the town of Malartic proposes to do likewise within a few months. May rural centres and farming communities soon have their turn!

Though most people in Villeneuve county are of French-speaking origin, a considerable number of them are of British descent. In addition there are in our cities several new Canadians and citizens of tomorrow. Let me proclaim to the country at large the friendly relationship that prevails among us. It is not a feeling based on sentiment, on elegant phrases and platonic wishes but on a practical sense of mutual respect, active cooperation and brotherly help. At Malartic for instance, where I live, and elsewhere in the county, people can sing: "Vive la Cana-

dienne, et ses jolis yeux doux" and follow up at once with "Oh ye'll take the high road, and I'll take the low road". I can assure you that anyone interested, no matter what his racial origin, can understand, the difference being that, as opposed to the lyrics of the song, the tryst is always kept.

Thanks to federal grants, the towns of Rouyn and Val d'Or now have municipal airports which allow quick transit to Montreal from our district. This service, which is provided by the Canadian Pacific Air Lines, is popular and necessary. However, to be as useful as they should be, these two airports require many improvements. Founded only a few years ago, the towns of Rouyn and Val d'Or have had to meet heavy obligations in order to provide their people with proper municipal services; they may, therefore, be unable to maintain those fields and improve them as they should be.

A look at the map of Canada, Mr. Speaker, will show us that, as the crow flies, Rouyn and Val d'Or lie along the air route which joins the great military base at Fort Churchill to the eastern centres of Quebec, Montreal, Toronto or Ottawa. The Department of National Defence would be well advised to develop those two airports, Rouyn and Val d'Or and convert them into advance bases for the protection of the industrial centres of eastern Canada.

If the county of Villeneuve is part of northwestern Quebec, it is also fully comprised in that vast natural area known as the Canadian shield, and partakes of its economy. That V-shaped region surrounding Hudson bay takes up half of the Canadian territory. It includes part of the province of Newfoundland in the east, covers four-fifths of the provinces of Quebec and Ontario, the greater part of Manitoba, the northern sections of Saskatchewan and Alberta and loses itself in the Northwest Territories, at the mouth of the Mackenzie river.

Before the twentieth century it was said of that area, then a wilderness and an essentially Canadian region if there is one, that it divided Canada. As a matter of fact, the railways hastened to cross it to create an artificial link between the east and the west of Canada. The industrial development of Canada, which started with the first great war, has changed the economy of that region.

First of all, in Ontario, silver was discovered at Cobalt, then nickel at Sudbury, and gold at Timmins and Kirkland Lake. Then came the tremendous discoveries of copper, gold and zinc at Noranda, Malartic and Val d'Or, and the discovery of gold at Red Lake in Ontario, of iron at lake Superior, of gold and copper at Snow lake, at Flin Flon on the border between Manitoba and Saskatchewan, and finally at Yellowknife in the Northwest Territories. These were followed by the discovery of uranium deposits, which are all-important for our country, and quite recently by the discovery of iron ore and titanium in New Quebec and Labrador. The Canadian shield, formerly so underestimated because its value was unknown, is now the arsenal of Canada and supplies the raw material of our industry in times of war or of peace.

The fabulous Mesabi iron mines in Minnesota gave rise to the great American industry. Economists already agree that New Quebec and Labrador will do the same for Canada and eventually for the whole of North America. Although not easily accessible these ore reserves would be easy to work. Already the preliminary work has been completed in order to build a railroad of more than 350 miles.

Within a few years, the St. Lawrence will see many ships carrying this ore to central Canada and when the deepening of this great waterway is completed, it will be due to the mining contribution of New Quebec. The tremendous amount of water power available allows us to foresee the day when electrical blast furnaces will be built and the ore smelted locally. At Sorel, in the Richelieu valley, such blast furnaces are being set up and titanium-bearing iron ore from lake Allard will be smelted there.

Spectacular though they be, those discoveries are but a beginning. To mention an example, the county of Villeneuve has been open to prospecting for twenty-five years but it was only in 1947 that the extent of the copper-bearing deposits of the East Sullivan Mines, Limited, near Val d'Or, was established. It is essential that prospecting be continued and any measure intended to facilitate prospecting will increase potential mining production.

While this district is rich in native gold-bearing minerals, it is also covered by an evergreen forest which supplies most of our pulp and paper industries and provides lumber for local use and exportation purposes.

The forest resources of the Canadian shield are to be found for the time being in

its southernmost part, that is, in the provinces of Quebec and Ontario. Thus that wealth benefits Villeneuve county.

Agriculture gradually becomes a basic industry in that part of the Canadian shield. In the northwest area of Quebec and the northeast area of Ontario, for hundreds of miles the soil is covered with a thick layer of clay. In Chapleau county, on the northern border of the district of Villeneuve, the first farming establishments were founded only forty years ago. From Hearst in Ontario to Senneterre in Quebec, the rural parishes are always increasing in number.

(Text):

It is generally true to state, Mr. Speaker, that the search for gold and the resulting mining industry have attracted the attention of the other regions of our country to the marvellous riches of the Canadian shield. During the war, circumstances beyond our control, arising from the general state of the world's economy rather than from the Canadian economy, caused our gold industry to decline considerably and even threaten to disappear for a time. Happily, however, the Canadian government recognized the importance of the industry in our national development and instituted pioneer measures in the new regions, coming to the rescue with emergency assistance to the gold mining industry. After this beginning the government increased the efficiency and duration of its benefits, and it is owing to this measure that many mines in my constituency have been able to carry on their operations. It is owing to this measure that thousands of miners in my constituency have been able to continue to earn an honourable living, and many of our veterans to build up promising futures for themselves.

My constituents have been pleased to learn of the creation of a separate Department of Mines and Technical Surveys. Is this not an assurance that the government of Canada will pay increasing attention to the mining problem, and will bring about improvements in the salutary measures it has instituted? I take this opportunity to congratulate the hon. member for Renfrew South (Mr. McCann) upon his appointment as head of this important department. He is already familiar with mining problems. I am sure that he will know how to present to the Minister of National Revenue (Mr. McCann) the difficulties of the mining industry, and that the latter will not fail to listen to his suggestions.

(Translation):

In the county of Villeneuve, the development of agriculture depends on the mining industry, whose financial contribution enables the settler to live through the difficult years when he has to work on virgin soil which will bear fruits only after years of unceasing labour. The settler finds in the mining centres a ready market for his garden produce. The mining enterprises purchase his lumber and provide work for him during the dull season. And so, gradually, the settlement lot becomes a prosperous farm, and the settler, a prosperous farmer. In turn he will help the mining centres to survive, and the mines may then disappear. They will have played their part in our economy. A stable population will remain and there will not be that sorry sight of deserted towns.

That clay belt of the Canadian shield which runs through northwest Quebec as well as through the northeastern constituencies of Ontario is eminently suited to production of fodder plants and consequently to stock farming, either for meat or dairy products. Before very long, a more rational distribution of our farming industry will bring about specialization in market-gardening and small-scale farming in the lowlands of the St. Lawrence valley, while our district will devote itself to large-scale farming and supply eastern Canada. I hope to see more and more model farms in order that their example may help to transform our farming industry. Our people will also welcome any steps taken by the government to increase the number of abattoirs, cold storage plants and centres for the grading of agricultural products.

Finally, so that the farming industry may fulfil expectations, let us hope that a program of drainage will be undertaken with the co-operation of both provincial and dominion governments in the whole pre-Cambrian clay belt, which lies at the height of land. In addition to improving arable land, it would help reforestation and development of large marshlands which are now absolutely useless.

This brings me to a brief discussion of forest management. In 1948, Bishop Labrie wrote:

"There will come a day when mines have yielded their last, but forests will keep on growing bigger and better trees if we take the trouble of caring for them and of managing them intelligently and with foresight."

How true and how timely were his words. Like other mining and colonization settlements, the constituency of Villeneuve has been cleared of far too many trees. Though crown forest lands come under the jurisdiction of the provinces, as a forestry engineer highly devoted to our forests I urge the government of Canada to help them more and more in conserving and protecting our forests without, however, interfering with provincial autonomy. Our people need to be educated in the management, protection and conservation of forests through reforestation.

May I be permitted to draw the attention of the house to the magnificent work carried out in this field by the Association Forestière Québecoise, by the Canadian Forestry Association and by other provincial groups affiliated with the latter. If the interest shown by the Canadian public in regard to forestry matters has constantly increased in the last few years, it is due to a great extent to the policies of these various associations. The remarkable Canada Forestry Act passed at the last session makes for closer cooperation between the state and these forestry organizations, and all those who have the conservation of our forestry resources at heart welcome this measure.

The Canadian shield, but recently a desert region, is being rapidly populated and developed. Not only does it provide the whole of Canada with metals, lumber and timber, farm products and furs, but its growing population, its purchasing power, its needs stimulate the manufacturing industries of our cities.

As can readily be ascertained by a look at an up-to-date map, the economic face of the Canadian shield is undergoing a complete change. Wherever a means of access has been opened into that part of the country, we have witnessed a shift of population. I shall only refer to the Hudson Bay railway in Manitoba, to the Northern Ontario railway which goes from North Bay to James Bay, to the Senneterre-Noranda line which traverses my constituency and that of Chapleau, as well as to the mining and agricultural communities whose establishment was made possible through the building of those railways. There are many more districts still waiting for the railways and modern highways which will allow them to play a leading part in our economic life. I am thinking now of the Mégiscane valley, of the Bell river basin, of the great Mattagami lake basin, of the Bachelor lake and Chibougamau regions, of the northern part of the constituency of Chapleau, which I know particulary well. There are in those districts productive lands where thousands of Canadians could settle, virgin forests and mines which should be developed without further delay.

Last year, the Canadian National Railways opened a new line of approximately forty miles from Barraute to Beattyville. Already five or six settlements have been opened because of that trunk line. I firmly hope that this new railroad will soon be extended to Chibougamau in order to connect eventually with the lake St. John system. If the Canadian government undertakes public works, I do not know of any that could be more useful than those aimed at the development of our natural resources. Not only would this give work to those who need it, but new sources of employment would thus be created.

When modern civilization reaches all those new areas, the economy of our country will be entirely changed. The Canadian shield which now divides the natural regions of Canada will become a link and will direct our economy in an easterly-westerly direction which will counteract the present northerly-southerly trend; this will extend the frontiers of Canada while fostering a greater measure of unity. In the economic and social fields, and even in the political sphere, the results of such unification will become a decisive factor in our country's future.

I do not wish to take undue advantage of the indulgence of this house, but I should not like to conclude without recalling that for the great majority of the people of the constituency of Villeneuve and for a considerable part of the people of Canada, 1950 is a holy year. May the whole world soon realize that our civilization will survive only if it puts into practice the teachings of the Sermon on the Mount. While protecting ourselves against the forces of evil and the communist virus, let us hope, for our common honour, that 1950 will recall to our children and great-grandchildren not the universal hatred and destruction that could be spread by the super-bomb but the defensive union of the north Atlantic democratic countries intent upon maintaining world peace. As far as our people are concerned, the year 1950 will remind them of the signing of a charter which will really

be the acknowledgment of an enduring national fellowship and mark the advent of the Canadian nation. Such appreciation from future generations will be our best memorial.

(Text):

On motion of Mr. Drew the debate was adjourned.

BUSINESS OF THE HOUSE

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

He said: The business on Monday will be the continuation of this debate.

Motion agreed to and the house adjourned at 4.45 p.m.

HOUSE OF COMMONS

Monday, February 20, 1950

The house met at three o'clock.

TRANSFER OF DUTIES

MERCHANT SEAMEN COMPENSATION ACT

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table copies of an order in council passed on the 17th of February transferring from the Department of Transport to the Department of Labour the administration of the Merchant Seamen Compensation Act, chapter 58 of the statutes of Canada, 1946.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

Mr. W. Ross Thatcher (Moose Jaw) moved for leave to introduce Bill No. 2, to amend the Criminal Code (capital punishment).

Some hon. Members: Explain.

Mr. Thatcher: The purpose of this bill is to abolish capital punishment in Canada and to substitute therefor life imprisonment.

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 3, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, this bill will add a new subsection 3 to section 6 of the Industrial Relations and Disputes Investigation Act. The effect of the new subsection is to provide for the voluntary revocable check-off of trade union dues.

Motion agreed to and bill read the first time.

CANADA DAY ACT

SUBSTITUTION OF WORD "CANADA" FOR WORD "DOMINION"

Mr. A. Phileas Cote (Matapedia-Matane) moved for leave to introduce Bill No. 4, respecting Canada day.

Some hon. Members: Explain.

Mr. Cote (Matapedia-Matane): This bill is intended to repeal the Dominion Day Act and substitute therefor a Canada day act. The changes are in the title and section 2, where the word "Canada" is substituted for the word "Dominion". For the benefit of those who were not here in the last parliament I should like to inform them that the same bill was introduced in the House of Commons on the 27th day of March, 1946, and was passed on the 4th day of April, 1946.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

AMENDMENT RESPECTING PAYMENTS TO PRODUCERS IN CHURCHILL AREA

Mr. P. E. Wright (Melfort) moved for leave to introduce Bill No. 5, to amend the Canadian Wheat Board Act, 1935.

Some hon. Members: Explain.

Mr. Wright: The effect of this amendment would be to make the port of Churchill a basing point under the act, and place that port in the same position as Port Arthur, Fort William and Vancouver.

Motion agreed to and bill read the first time.

CROWN PROPERTIES

INQUIRY AS TO PAYMENTS TO MUNICIPALITIES IN LIEU OF TAXES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Has the Minister of Finance received further representations in connection with the proposed payments to municipalities in lieu of taxes on federal properties? If so, is the government prepared to review its policy in the light of any such representations?

Hon. Douglas Abbott (Minister of Finance): I have received a number of representations of one sort and another, but the policy announced by the government has not been altered as a result of those representations. I might add that regulations to implement the policy as announced have now been prepared, together with forms to be completed by the municipalities setting out information with respect to federal property in their jurisdictions. I hope those regulations will be adopted and made available in the course of a few days.

Inquiries of the Ministry

HOUSE OF COMMONS

INQUIRY AS TO PAY INCREASE FOR MEMBERS' STENOGRAPHIC STAFF

On the orders of the day:

Mr. Robert Fair (Battle River): I should like to address a question to Your Honour. What action has been taken to increase the pay of those employed on the members' stenographic staff?

Mr. Speaker: I shall be glad to discuss the matter with the hon. member, but it is not customary to address questions to the Speaker when he is in the chair.

INCOME TAX

ADVERTISING WITH RESPECT TO RETURNS AND REFUNDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I would like to address a question to the Minister of National Revenue, whose department has been sponsoring spot advertisements on the radio every day. This morning the announcer on CBL said—

Some hon. Members: Question.

Mr. Fraser: —that the government would return a generous refund on last year's income tax if the returns were sent in now. My question is, what is generous about returning a person's own money?

Hon. J. J. McCann (Minister of National Revenue): The announcement is by way of an advertisement, and is not intended to advertise generosity at all.

Mr. Fraser: That was the statement—"a generous refund".

Mr. McCann: This step has been taken with a view to getting the returns in quickly in order that the assessments may be made and the refundable portion collected in the months of January, February and March returned as soon as possible. The sooner the returns are in, the sooner the refunds will be made.

RADIO BROADCASTING

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of National Revenue if the government will proceed this session to set up a special committee on radio and the Canadian Broadcasting Corporation?

Hon. J. J. McCann (Minister of National Revenue): Yes, Mr. Speaker, it is the intention of the government to set up the committee as soon as possible, and I expect to place a motion on the order paper this week.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, February 17, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in rising to take part in this debate I wish to express my personal respects to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the motion, who have discharged that duty in keeping with the customs of this debate.

As to the speech from the throne itself, it contains so little of a definite nature that any remarks which may contribute to the effective consideration of our problems necessarily must be related more to what the speech from the throne does not say than to anything it does say.

There was one significant comment in the excellent speech made by the hon. member who moved this motion, and did it so well. He said, at page 27 of *Hansard*:

> I feel that I may be open to criticism for not taking issue with the government on some of the matters of a more contentious nature.

Then he went on to explain why, on balance, he felt justified in approving what they had done. That brief comment, however, reflected what is in the minds of so many members on both sides of this house. There has been widespread and justified criticism of the government since last we met; and that criticism is directed not only to particular acts of omission or commission by this government but also to the very important fact that neither parliament nor the people were given information which the government have admitted they had in their possession for some considerable time. That brings before us an issue which goes to the very root of the established principles of responsible government and, in turn, to the very root of freedom itself.

There comes a time when all wise parliamentary bodies must carefully examine abuses which have crept into their procedure and practices, and correct them before it is too late. Not only here in Canada but in other free nations as well the emergency powers, conferred upon the executive and

intended only for the purpose of meeting the desperate demands of war, were carried forward into the years beyond. Although many of those powers and controls have since then been repealed or diminished, the state of mind and the attitude toward parliament which those powers created do persist to an extent that may threaten the survival of our parliamentary system.

During the war, governments found it necessary, or claimed that they did, to keep a considerable amount of information to themselves, and, on the grounds of security, refused to parliament information which ordinarily parliament would have not only the right to obtain but the right to be given voluntarily as the basis of informed debate. Men who have been in the habit of treating information as their own special prerogative may find it difficult to throw off this habit, but the time is long past when it can be accepted as an excuse for withholding information from parliament, without serious danger to the continuance of our parliamentary system.

I think every hon. member of this house must be gravely concerned about what has happened in this country since we were last in session, and there should be equally great concern about the suppression of information which should have been given to the representatives of the people in this house. As recently as December 1 the Minister of Trade and Commerce (Mr. Howe) gave a glowing account of the prospects for production, export trade, prices, and employment. It was only on the last day of the session that the Minister of Agriculture (Mr. Gardiner) indicated in some slight degree the extent to which our food exports to the United Kingdom might drop in 1950. That was serious enough in itself. What has happened since then is infinitely more serious. The loss of our assured markets for wheat, bacon, cheese, eggs, and other food exports, has had an immediate and disastrous effect on domestic farm prices. It is hard to realize that it is only a few weeks ago that the government was telling us we had no problem of surplus food products. Now the problem of surplus food, and the threat of even greater surpluses, is endangering our whole agricultural price structure, and threatening the security of our farmers.

The Minister of Agriculture now says that he expected this situation for two years. If that is so, why were we not given this information during the early days of the last session, when steps could have been taken in advance to meet the situation with which we are now confronted? The failure of the government to take effective steps in this matter has produced immediate and serious consequences which are being felt in every part of Canada.

When the trades and labour council of Canada and the Canadian Congress of Labour made a joint representation to the government on January 2, they said:

> The unemployment situation in Canada has become so serious as to cause apprehension throughout the nation.

In response to that statement the Department of Labour announced on January 7 that there were 261,000 unemployed, and that—

> —a considerable portion of the current unemployment results from the continuing growth of the Canadian labour force, rather than from a decline in employment.

On January 19 the Minister of Finance stated that the unemployment situation in Canada was purely seasonal. As recently as January 30 the unemployment insurance commissioner said in Winnipeg—and I quote his words, as reported in the press:

> The labour unions are exaggerating the total of unemployed in Canada.

The figures of unemployment released two days ago give some indication, but only a partial indication, of how serious the situation really is. Total unemployment is now said to be 375,600. Such a figure is hardly in keeping with the statement in the speech from the throne to the effect that unemployment is due to seasonal and local conditions. The percentages in different parts of Canada tell the story. They are highest in British Columbia, where they are shown as 15·8 per cent of the labour forces. Next come the maritimes, with 10·2 per cent of the labour forces unemployed. Quebec, with a percentage of 7·8 per cent, comes next, largely because a great part of that province is affected by the same conditions which affect the maritimes and British Columbia. Ontario and the prairie provinces are still the lowest, with the same figure of 5·3 per cent.

These figures disclose that a considerable proportion of our unemployment is not seasonal or due to local factors, but is the direct result of the loss of seaborne trade. Undoubtedly the British Columbia figures are to some extent accounted for by the abnormal weather conditions of the past two months, and it is partly for this reason that their figures are so much higher in percentage than those of the maritime provinces.

One of the extremely disturbing factors is that unemployment insurance figures seem to be used in determining the number of unemployed. It will be noted also that in the press release of the Department of Labour which gives the total of 375,600 unemployed, that figure is under the heading, "Persons seeking

work through the national employment service, February 2, 1950." There is not an hon. member in this house who is not fully aware of the fact that a large percentage of the unemployed do not seek work through the national employment services. It is well known that throughout the rural areas, and in many occupations, individuals seek employment on particular jobs. These figures are undoubtedly far below the real figures for unemployment at this time.

In considering the unemployment insurance figures as the basic factor in arriving at estimates of the unemployed, it is necessary also to remember that less than half of the employed in Canada are covered by unemployment insurance. Every social service worker, every welfare mission, knows that in addition to those receiving unemployment insurance there are many unemployed whose numbers are difficult to determine and whose plight is a cause for grave concern to this house.

The situation is serious. It is not too much to describe it as critical, because of the rapid acceleration of the unemployment figures in so short a time. It is to be hoped that this house will receive detailed information today from the Prime Minister as to the steps which will be taken to meet a situation of which the government has certainly been aware for many months.

The problem itself is serious and urgent. But what is of special importance to the members of this house is the fact that any indication of the real situation was withheld from hon. members, and is in fact not disclosed in the speech from the throne which we are now asked to approve. The statement of one of the senior members of the government only three weeks ago, that the unemployment situation in Canada is purely seasonal, simply emphasizes the fact that members of parliament have the responsibility not only to deal with unemployment itself but also to consider the action of the government in relation to parliament, and its effect upon our parliamentary system.

The fact is that unemployment is considerably above the figures given by the government, and is steadily rising, for reasons which the government refused to admit to this house during the last session.

The serious threat to our farmers, both in the loss of markets and in the severe drop in prices, is also something that has happened in the two months since the end of the last session. We received no indication of any condition such as that which has now become apparent, although the government has been repeatedly warned of the danger and measures were urged to meet the situation.

[Mr. Drew.]

Our forest industries, particularly those engaged in overseas export business, are already severely hit. So also are the mining industry and the fishing industry, particularly in the new province of Newfoundland. Where is there any indication of this situation in the speech from the throne and when has the government given us any indication of its knowledge of what was coming?

The fact is that this speech from the throne, which after all is simply a statement put in the mouth of the king's representative by the government, is a statement of propaganda about the excellent things this government has done. In the face of conditions which are disturbing Canadians from coast to coast, there is nothing but a suave assurance of everything being perfectly satisfactory. There is this unemployment, which the figures of the Department of Labour made so clear on Saturday—not so much in their present total, but in their acceleration within the past few weeks. Yet what do we find in the speech from the throne to suggest any action by the government to meet that situation? There is the promise that the provisions for unemployment insurance will be extended. Certainly they will need to be, unless the government recognizes that the people of this country desire unemployment insurance when it is necessary, but want the chance to work, and want the necessary measures taken right away that will provide work.

It will be recalled that a motion was presented to this house calling upon the government to take steps to restore and expand our overseas trade. It was pointed out then that employment and the prices of our products depended upon the maintenance of that trade in a country where three out of every eight workers depended upon export trade for their daily jobs. The government not only failed to meet this situation; it refused to act when the danger was clearly forecast by members of this house.

The loss of export business, particularly to overseas markets, is the cause of the very real difficulties with which we are now confronted. Here again we have a record of suppression of information which is a direct and continuing challenge to the supreme authority of parliament. As long ago as April 25 of last year the Canadian Exporters Association, which is made up of men whose business is the export of goods, in a statement presented to the Minister of Trade and Commerce, expressed the combined judgment of those who know what is taking place. I should like to quote from that presentation of April 25 last, in order to show how clearly those who are in this business were warning

the government then of exactly what was impending. This quotation is from their brief:

> We question the wisdom of frequent announcements which have been made by government spokesmen to the effect that Canada's export trade of 1948 set a new peacetime record in dollar value, without qualifying such statements by emphasizing that such record was only made possible by the expenditure of ECA money and the excessive dependence of Canada on the United States for so large a percentage of Canadian exports in raw commodities and finished goods. As a result of these announcements, the Canadian Exporters Association finds that Canadian producers and the people of Canada are largely unaware of the markets Canada has lost abroad, of the danger that continues to threaten our export trade, and the extent to which Canada's present and future economy is menaced, with the attendant problems of unemployment and consequent lowering of our standard of living, and the exclusion of Canadian products in countries where they are badly needed.

We all know today that every statement made by the government gave a contrary impression to that which was so clearly put forward by those who were actually engaged in the export business. The people of Canada were told that the situation was entirely different from that which the Canadian Exporters Association indicated and which events, unfortunately, proved to be true.

In the same formal presentation we find reference to another example of the kind of statement that has been given to the Canadian public and which has created a false sense of confidence while the government has withheld the vigorous action which should have been taking place to meet a situation of this kind. I quote again from their brief:

> The announcement made in January of 1949, that increased trade with the British West Indies had been made possible by arrangement with the United Kingdom government of new dollar allotments to the British West Indies colonies, was greeted with enthusiasm by Canadian exporters. It was, however, a great disappointment when we later learned that the amount of money involved was limited to only three and a half million dollars and that this amount was to be used in trade with the whole dollar area and not for trade with Canada alone. We submit that, contrary to the government's press release of January 4, this was less than what could be considered token shipment and has had very little effect in even partly restoring Canada's export trade.

That quotation refers to a situation that is serious, particularly so in Newfoundland and the maritime provinces, where there has been such a long record of trade with the British West Indies. This statement by the Canadian Exporters Association was completely accurate, and indicated once again how unreliable so many of the statements of the government have been in regard to export trade. When it is realized that at least seventy-five per cent of all our unemployment amongst employables is directly attributable to the loss of export trade, we are better able to judge the seriousness of withholding this information from parliament.

What makes the situation doubly serious is that in addition to industrial unemployment there has been a severe drop in prices of agricultural and other basic products directly related to overseas exports. Now we see unmistakable evidence of resistance growing in the United States to Canadian exports in certain lines to that country. It should also be remembered that industrial exports are being affected as well as commodity exports. On July 22, 1949, the Canadian Exporters Association made the following statement to the Minister of Trade and Commerce; and whatever reasons there may have been for not acting earlier, on July 22 those reasons certainly were not apparent. I quote again:

> Our members are concerned about the losses of so many markets for manufactured goods and the present and future effect on industry and particularly employment. We submit that it is in the production of manufactured goods rather than our primary or agricultural products that Canada's greatest labour force is employed, and losses resulting therefrom will affect the Canadian economy more substantially. Our members who have spent so much money and effort in developing exports are now wondering whether Canadian consumers' goods have a legitimate place in world markets. Many are indeed closing up their export departments and are relying more and more on domestic trade, which, while satisfactory now, may not be maintained under changing conditions.

That statement also has proved to be all too correct.

One thing which is apt to give a misleading impression as to the relationship between export business and employment is the fact that the most recent figures of export in dollars relate to production which has already taken place and for which employment has already been given. Particularly in the field of industrial production much that will be exported in the months to come is already made. Present employment is related to anticipated exports; those engaged in the export business are relating their production program to what they may expect to sell some time ahead. As a result, figures of exports in dollars give no indication of the extent to which employment is dropping as a result of shrinking exports and anticipated loss of exports in the months ahead. This is related to the fact that those who know the situation are expecting a still greater reduction in the months ahead. The government is well aware of this fact, and has been well aware of it for many months.

I ask the members of this house to compare the statements and information we have received, with the reality which is now disclosed in unemployment figures, in the prices

of our primary products, and in the statements of those who are actually engaged in the export business. All across Canada businesses built on export are releasing employees because the government is doing nothing effective which offers any reason for confidence in the optimistic statements contained in the speech from the throne.

The way in which the representatives of the people in this house have been treated by the government in this respect is in keeping with its attitude in many other matters of importance to the people of Canada. When we find that essential information has been kept from parliament in regard to employment, production, and export trade, the suppression of the report on the milling combine simply becomes part of a uniform pattern.

If there has been any tendency to regard that subject as a closed book, the Minister of Justice (Mr. Garson) disposed of any such tendency when he travelled across the country during the past few weeks explaining how virtuous the government had been in dealing with that particular report. In his explanations to the public there was no hint of apology for the flagrant and unqualified breach by the government of a law passed by the parliament of Canada. Not only did he seek to justify the law-breaking by the government, but felt called upon to offer the justification for the action of the millers themselves. In Vancouver, on January 27, according to a Canadian Press dispatch he said:

> Had the millers been allowed to engage in competition for price reduction, the whole cost would have fallen on the taxpayers in the form of increase in the flour subsidy.

I have no doubt that the millers will welcome the new special pleader for their cause. He went on to say:

> Mr. McGregor missed that point in his report.

That is something we were not told in the last session. We were told a great many things. It was just like a case of hiccoughs; something new came up every time that the Minister of Justice spoke, and most of it had just about as much body to it as the speech to which I referred. But this is a new one. The minister said:

> Mr. McGregor missed that point in his report.

Thus we find that the Minister of Justice, in his recent trip of self-glorification and self-justification, indicated quite clearly that he did pass judgment on Mr. McGregor's report. We were under the impression that he had not. His statement in Vancouver would have had no meaning unless it was intended to convey the impression that this had something to do with the government not acting upon the report. In fact that was what he was explaining. He said at the same time that had the government prosecuted the millers—and I quote:

> There wouldn't have been a case in fifty years when the crown would have looked so cheap.

It becomes necessary to remind the Minister of Justice, and the government which has identified itself with this, including the Minister of Finance (Mr. Abbott), that the real issue is not whether the government should or should not have prosecuted, but that the government suppressed this report until it was impossible for anyone else to prosecute, even if the government did not feel like doing so, and also that the government suppressed the report at a time when it would have been extremely interesting to the people of Canada to know of the special concern of the government about the milling industry.

A new angle to this unpardonable breach of law by the government has emerged since the last session. It will be recalled that the last of several explanations of the Minister of Justice, which kept occurring to him from time to time for his breach of the law, was that he had discovered how difficult it would be in any event to publish the report within fifteen days. As that was the last explanation offered to this house, and as it was the last explanation for his own conduct, we must presume that it was intended to be taken seriously. Nevertheless we find that two subsequent reports under the Combines Investigation Act have been delivered to the Minister of Justice: one on the glass industry, and one on the match industry. The report on the alleged glass combine was submitted to the minister on December 13. It was published fourteen days later, on December 27. The report on the alleged match combine was submitted to the minister on December 27 and published thirteen days later, on January 9. Thus we have positive evidence, produced by the Minister of Justice, that publication can be made within the fifteen days required by law, and it was with good reason that no one had ever suggested that fifteen days were not adequate. When the Minister of Justice says that never in fifty years would a government have looked so cheap as this government would if it had prosecuted the milling industry, he overlooks the fact that no government has ever been made to look so cheap as this government has by the different explanations he has given for breaking the law.

There are a number of aspects of this report about which little has yet been said. Not only was the law broken; not only did the government fail to take any action on the report itself; not only did it follow a course

which prevented others from taking action that ordinarily could be taken; but there has been no explanation about one very remarkable feature of this report, which is no explanation of the solicitous attitude of the government toward those engaged in this industry. On page 79 of this report we find the statement of the commissioner that:

> It is clear that the association had in effect a double set of minutes. One of them, official and signed, gives little or no indication that the members reached agreement, or even discussed agreement, regarding domestic prices and related matters. The other, which was apparently regarded as even more confidential than the minutes, discloses the details of many such agreements which were obviously designed to lessen price competition in the sale of flour and other related products.

I have not yet seen any statement by the minister which suggests that Mr. McGregor missed some point in connection with this. If he thinks that Mr. McGregor did, then it would be well to explain why that view is held.

It is only for the courts of this country to say whether anyone was guilty or was not. It should be pointed out, however, that a consideration raised by the finding of the commissioner was the question not only of the breach of the Combines Investigation Act, or the breach of the section of the Criminal Code in regard to combines, contrary to the public interest, but the possibility of a breach of section 413 of the Criminal Code. That section provides that a director, manager, officer, or member of any company or corporate body who omits or concurs in omitting to enter any material particulars in any book of account or other document with intent to defraud is guilty of an indictable offence and liable to seven years' imprisonment. If there was a double set of records, as the commissioner reports, and as is set out in detail in the report, then certainly it is a subject which should have received the most careful consideration.

One of the details disclosed was that there was an agreement in restraint of competition in one set of records and not in the other, if the findings in the report are correct—and that does not relate to the judgment of the commissioner; it relates to the actual words quoted from the records put in evidence. Therefore more was involved in this report than a mere breach of the Combines Investigation Act or that section of the Criminal Code which is ordinarily invoked in such cases.

Only the courts have the right or power to decide guilt or innocence in a case of this kind. But the explanation made by the Minister of Justice on behalf of the milling industry should include some explanation of the reason for keeping a double set of minutes, if those engaged in that industry were satisfied that the government approved what they were doing. Surely there are obvious reasons why lawbreakers must not be lawmakers. The courts might well find the milling industry was innocent of any offence. But, no matter what the courts might find, the government broke a law of this parliament, hid the facts as long as it could from the public, and then offered no apology at any time to parliament for what had been done. On the contrary the minister primarily responsible has recently once again been justifying what the government did. Others prosecuted under the same law, or any other law, have a right to feel a sense of grave injustice when prosecutions are launched by a department of the same government which deliberately placed itself above the law and above parliament.

There is another reason why it is appropriate that this subject should be discussed today. When we met at the beginning of the last session this information was not before the house. Mr. McGregor had not yet reached the point where he found it necessary to resign because of the conduct of the government, and, by his resignation, force this matter out into the open. This, therefore, is the first time members of the house have had an opportunity to pass in a formal way upon the conduct of the government and to say by their votes whether the government is responsible to parliament or is free to decide what laws it will break and what laws it will observe.

This very same attitude, all part of the same pattern, was displayed by the government when an effort was made on a number of occasions during the last session to find out what information the government had in its possession about communist operations, and what steps it was taking. Right up to the last day of the session questions were asked continually about information in the possession of the government regarding the national film board, which it was admitted was no no longer making secret films, because of screening for communist activities.

It was even suggested it was unfortunate that this subject had come up for discussion in the house—unfortunate that hon. members representing the people of Canada should have an opportunity to discuss a situation regarded as so serious that even the ordinary films made for educational purposes in the armed forces were no longer being made by the national film board, but were being entrusted to private film producers as being a safer method than through the government body itself. The impression left was that

there was nothing unusual in the situation; and that was the attitude of the government right up to the very last day.

It will be recalled how question after question was directed first to the Minister of National Defence (Mr. Claxton), when he admitted that the films of his department were no longer being made by this board, and later to other ministers. In an effort to find out what information the government had in regard to activities which caused sufficient concern to cause to be withheld from that board such relatively simple productions as those described, these questions were asked.

The attitude of the government was that this was simply an ordinary screening. Then we learned through the press a short time afterwards that a new film commissioner had been appointed to the national film board, and that he had been asked to take that position some three weeks before. Thus we learned that, while the House of Commons was still sitting, and while we were trying to get information as to what the government knew about this department, and were left with the impression that there was nothing positive they could tell us, they had information sufficiently positive to make them decide to change the commissioner of the national film board and to have a housecleaning in that government agency.

Just to emphasize the fact that the government has a great deal more information in its possession than it has given to the house, in spite of the repeated questions, the Minister of Justice only last week stated that communist spies are operating in this country and that the government is taking action to deal with the situation. It is strange how necessary it seems to be for the elected representatives of the people to depend upon our very excellent press for information they seek in the house, and to which they are entitled, in full detail, in the house.

In view of the gravity of the international situation, and the lessons taught by the admissions of Dr. Fuchs, this house should insist that immediate steps be taken to prosecute any spies known to the government. If the government knows that there are spies, then there should be prosecutions. If the government does not know who the spies are, then the Minister of Justice was just talking through his hat; it is one or the other. Action in regard to this menace is long overdue—action to restrain the subversive activities of the communist party in this country, in accordance with the recommendations received by the government long ago.

This statement of the Minister of Justice serves to emphasize the failure of the government to act upon the recommendations in the report of the royal commission on espionage. Do not let the government place any cloak of virtue about itself for those prosecutions. It is necessary only to go back to the record to find how difficult it was to get the government to act on that occasion, and to realize that it was only under pressure it acted, even then. But the government did not carry out the details of that report. It did act upon the positive findings that there were grounds for prosecution against certain individuals implicated in a spy ring directly related to the Russian embassy here in Ottawa. But the commission also found that there were other spy rings—and this House of Commons has a right to know what has been done in regard to those other spy rings. It has also the right to demand that the government act upon the recommendations made in that report to deal with possible communist activities within government agencies themselves.

There was one recommendation to the effect that there be careful consolidation of all supervision of that kind. Yet, if the house was correctly informed during the last session, there has been very little in the way of an effective method of dealing with this important subject. The report certainly made it imperative that these activities be dealt with in a way that would be in keeping with the seriousness of the disclosures made in the report. What may have appeared urgent then becomes doubly urgent now, in the light of recent events. If there are secrets in this country which are of sufficient importance that certain government agencies are denied the right to deal with them because of suspected communist activities, then there are added reasons in these last few days and weeks why the most vigorous and effective steps should be taken to deal with subversive communist activities in every part of Canada, and of every kind. The whole tendency has been to minimize the importance of this subject. Certainly we are awaiting information as to what action has been taken in keeping with the seriousness of the disclosure.

In the meantime communist activities are going on apace and wide open. Although communist publications are being permitted to circulate the most outrageous statements about Canadian public men, there is no apparent attempt to act under existing laws which are being broken, to say nothing of the necessity of more effective provisions in the Criminal Code, to deal with subversive activities of this kind. It will be recalled that there have been repeated requests for an amendment to the Criminal Code which will make it possible to bring before our courts those who are engaged in an organized effort to destroy our free democracy. Having regard to the seriousness of the statement made by

the Minister of Justice last week in regard to known spying in this country, the silence of the speech from the throne as to any action to be taken to suppress communist activity can only indicate a continuing failure to appreciate the real nature of the menace which we face.

Another significant omission from the speech from the throne, which must cause great concern to a large number of Canadians, is any positive assurance that the government intends to take effective action concerning old age pensions. For several years we have urged the introduction of a national contributory old age pension plan with adequate pensions payable as a right, without a means test, which the late Tommy Church so properly described on a number of occasions as the "meanest test". Those who now constitute the present government were lavish in their promises only a short time ago. Now we find no assurance in their official statement of the business of this session as to what they intend to do on this subject. We find on the order paper notice of a motion to set up a committee of inquiry. There are occasions when committees are essential. There are occasions when committees are the only way in which essential information which should be before this house can be properly brought forward, as in the case of national defence, external affairs, and subjects of the kind, where experts cannot satisfactorily appear on the floor of the house to answer the questions which must be asked if adequate information is to be available.

Surely this is a subject on which the government has all the information necessary. Certainly we have been assured that it has been giving the matter full and adequate consideration for a very long time. The government certainly has the staff available for that purpose. It has had this subject continuously under consideration for many years. It was considered by both dominion and provincial governments in 1945 and 1946, and statements were made which were presumably based upon an examination of the subject. If the government still lacked information on this matter when we met last fall and an inquiry by such a committee was necessary, then that committee should have been set up at the beginning of the last session and not at this time. Certainly it was not because the matter was not brought to the attention of the government during the last session. Members on both sides of the house are well aware that this is a subject on which the government has given assurances. They are well aware that all the plans of the various governments dealing with the question are already available to the government. In the end the government must assume the responsibility for the decision it will make, and the time is ripe for the government to make a decision in keeping with the assurances upon which it received the support of the people.

Mr. Rowe: They want to use them over again.

An hon. Member: They did not do badly last time.

Mr. Drew: A very significant remark was just made: "They did not do badly last time." It would be well if members of the house carefully examined what was said on that occasion in regard to a number of vitally important subjects.

Members on both sides of the house are well aware that there is widespread dissatisfaction with the way in which the government has dealt with the subjects I have mentioned this afternoon, and that was very clearly indicated by the mover of the motion. The most urgent subject for consideration is the rising tide of unemployment caused by the loss of our export markets, with a sudden resulting drop in prices for agricultural and other primary products, as well as decreasing demand. These and the other questions before us can only be dealt with effectively if the house reasserts its authority over the government and declares in no uncertain terms that parliament is supreme over its executive committee. We have a right to know, and to know immediately, with what measures the government proposes to meet this situation. We have been told on many occasions, publicly as well as in this house, that plans for public works of various kinds are being held back only until a demand for employment presents itself. That time is now. What are the plans, and when will they be put into operation? The speech from the throne gave us no information of any kind on that subject.

We will support every effective measure which will give employment to those who are looking for work in every part of Canada today. There are new resources to be developed, which will in turn create great new opportunities for employment. There are different types of public works which can be carried out. Do not let anyone make the suggestion that emphasis upon the need for steps that will deal with employment is an attempt to undermine confidence in this country. The thing that will undermine confidence in this country is the people being unable to see immediate and positive action on the part of this House of Commons and the government which is its executive.

In examining the new resources and the new things to be done, we may as well examine

first of all the immense possibilities of the development of power across Canada; because there is no single public undertaking which in turn creates so much employment as the development of electric energy. It is true that in most provinces the development of electric energy is under provincial commissions, but there can be no doubt whatever that this government, with the support of this House of Commons and of parliament, will find the provinces and the municipalities ready and willing to develop those resources which in turn will provide productive bases for new employment in the years ahead.

There are great irrigation undertakings long overdue in many parts of Canada. Such undertakings would also create great new productive capacity in every part of this country. In the prairies there are areas where some of the richest farm land in the world is just a short distance away from soil which affords a bare living. The difference is only the want of irrigation. There are great possibilities in the use of the Saskatchewan and other rivers in the west, just as there are possibilities in the use of rivers right across this country for the enrichment of the soil, the expansion of our great productive capacity, and, what is so important to all, an increase in employment which will provide a livelihood and bring happiness to many people in this country. There are great land reclamation projects to be carried out. There are great conservation programs which will increase our productive resources and afford employment in the years ahead.

All these things I have mentioned are self-liquidating public developments in which every dollar spent would be a sound investment in the future of Canada, and a safe investment, under the most stringent definition of safety. In fact it has been demonstrated already that public developments of this kind can be financed by private investment if the government should feel that any of them should not be carried forward through the investment of public funds. That has been done in province after province—and it is interesting to note that the securities issued to finance public developments of this kind sell as readily as dominion government bonds, and yield as high a return to the investor. From Newfoundland to British Columbia there are things to be done for the advancement of our country which will create employment now, and many times that employment in the years that lie ahead for a nation far larger than Canada is today.

There is one thing we must keep in mind, however. No new road, no new power plant, no new irrigation project, no newly-productive area in itself will give employment in the years ahead unless we can find markets for that greater production. Let no one say that we are painting a gloomy picture because we examine realities. Let anyone who is concerned as to that go into the missions and other places across this country where people are fed, and see the men and women there looking for food; then ask whether this subject should be discussed in this house. Our task is to find ways in which to give those people new hope, and immediate hope, for the months and years ahead. In all humanity there can be no excuse for a continuation of the situation with which we are now confronted. A hungry world wants the food we produce; and while I have indicated disagreement, which I think is soundly based, with what was contained in certain statements by the Minister of Agriculture, I do believe the minister said something in London just over a year ago that badly needed to be said—that there was something wrong when here in Canada vast quantities of food were available, while artificial barriers prevented that food from reaching the hungry people who needed it.

Other nations need our industrial and other products. The barriers to trade must be broken, and as a nation we must get out and sell. The position has been that the world demand for the things we produce in such abundance has limited the necessity for ordinary selling. This is a real world, and in this world the daily bread of people must be earned by work. The things we produce will be sold only by ordinary, sensible selling methods. There is a world that needs our food. There is a world that needs the industrial products that the skilled workers of this country can turn out in such quantities, and it is for us to find a way by which they can reach the markets of the world. The job of the government is to take every possible step to break down trade barriers so that we can get out and sell. The job of the government also is to break the log jam that exists now because of the inconvertibility of exchange. I do hope we will not hear a repetition of those assurances that nothing can be done, such as we heard a year ago. Many hon. members will recall that we urged the government to face reality and assist the export trade by getting the Canadian dollar to somewhere near its real exchange value in relation to United States funds. We were told that was nonsense; yet it was not long afterward that the nonsense became a reality.

Let no one tell the members of this house that no steps can be taken to make exchange convertible. It was always convertible, prior to the last few years. It was convertible before Canada even became a nation with its own currency. This is not a time for Canada to sit back and wait for the lead of others.

We are the greatest exporting nation per capita in the world. We can become an exporting nation far beyond anything we dream of if we will develop our resources and use the productive capacity that God has given us. To no other nation in the world today is such an opportunity offered; no other nation is faced with such a challenge to give leadership. Surely what has been done in the past can be done now and in the future. Surely some way is open to sensible human minds by which our food products and our excellent industrial production can get to the markets of the world which want what we have to sell and which, by that very demand, will afford employment and bring about expansion in every part of Canada.

So much for the practical problems presented by this situation with which we are confronted. Quite apart from those practical problems, however, the conduct of the government has raised an issue which will determine whether we are in fact a true democracy here in Canada. Government of the people, by the people and for the people was not first used as a definition of democracy by Abraham Lincoln. It was used at least twenty-three hundred years ago to describe the democracy that had emerged in ancient Greece. Even in those earliest democratic city states, however, democracy did not mean government of the people by all the people meeting to discuss their affairs. Democracy meant government of the people in their own best interests by the freely-chosen representatives of the people. Democracy has always been government of the people by the elected representatives of all the people. All the people of Canada are represented by the members of this house. The 14 million people of this country find their collective voice amongst the members who sit on both sides of the house. This is the structure of democracy. The mere existence of this chamber, however; the mere fact that members representative of all the people sit here; the mere existence of this magnificent parliament building in Ottawa; the beauty of the decorations and all the dignity that may accompany the tradition associated with this parliament, do not in themselves offer any guarantee that in reality there is government for the people by their own representatives.

The most beautiful house of parliament in the world is that in Budapest. Representatives from every part of Hungary meet in that lovely building by the Danube. But there is no democracy, and there is no freedom.

Neither is any freedom found because of the fact that men and women from all over Russia gather within the stern and majestic walls of the Kremlin. Those who have seen the semi-oriental beauty of that building know that if dignity and impressiveness were any assurance of the real machinery of democracy, it would be found in the Kremlin itself. That is not the test. The test of democracy is, first of all, whether the people know the essential facts when they choose their representatives; and then, in turn, whether their representatives who meet in parliament are fully informed as to every important fact upon which decisions are made by their executive committee, the government.

Today I am discussing the information available to the present members of this house. Our last session ended only two months ago. Were we fully informed in regard to all the information in the government's possession about trade and the threat of unemployment, lower returns to our producers, and decreasing production? Were we informed, as we should have been, about the way in which the government dealt with combines, which can restrain the trade of this country and reduce the price advantage that comes from free competition? Were we fully informed as to what the government was going to do about communist activities in this country, which have assumed such importance? Were we fully informed as to what the government knew about communist activities within the national film board, to say nothing about several other boards which are of equal interest to the members of this house, and will be throughout the session? These are questions which are of quite as much importance to those who belong to the party from which the government is formed as they are to the members of the opposition.

I hope that no one will say that the majority of government supporters is so great that it is a waste of time to raise these questions here today. The size of that majority, in itself, imposes upon those who belong to the government party the highest obligation to observe those principles of responsible government which rest upon the supremacy of parliament. In fact it is to those who belong to the parties from which the government is formed that we must look for action in keeping with their own belief as to the responsibility of parliament, if this situation is to be dealt with as it should be.

It would be like a breath of cool air on an extremely warm day—not a day like today, but on such a day as doubtless we shall have before this session comes to an end—if some hon. gentlemen who are not members of the opposition were to say here some of the things they have already said outside this house.

Mr. Cote (Matapedia-Matane): Name them.

Mr. Drew: If any government feels safe in the conviction that whatever it does it will receive the support of its party followers, then our parliamentary system stands in very real jeopardy.

The issue placed before the house by the conduct of this government is an issue which is being drawn clearly throughout the world today. If any hon. members are unaware of a place in which they can find an excellent discussion of this very point, I would commend to them the speech of one of the candidates for the Liberal leadership a year ago last summer. The issue placed before this house was stated then, and it is one which has been emerging more clearly all the time. It has been simply stated, perhaps too simply to be sufficiently impressed on many minds, by one of the greatest modern students of democracy, Sir Norman Angell, in these words:

> The Russian view is that the power of a government should be used to repress heretical objections to the true doctrine; to forbid political oppositions, even in its satellite states.
>
> The western view is rather that the function of power in a free society is the precise opposite: To ensure the right of political opposition, the right of access to the facts upon which governments base their policy, the right to discuss those facts and to oppose the conclusions drawn by the government.

In that simple statement the emphasis is placed, as it is throughout the excellent book from which the quotation comes, upon the importance of access to all the essential facts by the representatives of the people, as well as the importance of all essential facts being voluntarily furnished. It is obvious that those who are not within the secret confidence of the government cannot be in a position to know all the facts that come to the government from its many agencies.

To some people, this quotation from Sir Norman Angell's description of the problem of modern democracy may seem an oversimplification. To some it may not seem that the issue can be so simplified. There are many stopping places between those two points. But these are the two distinct and opposite points of view. On one side is government, which, having attained power, seeks to limit the opportunity of free discussion, either by preventing criticism or by suppression of the facts. The other is government which insists upon the right of the people's representatives to all the facts, and the right of those representatives to discuss those facts with complete freedom, so that decisions may be made with the full advantage of all the advice that can be gained from the representatives of all the people with the special knowledge of the particular parts of the country from which they come.

While there are many intermediate points between the two, those who steer their course away from the widest interpretation of the meaning of democracy are challenging democracy itself, no matter what they declare to be their purpose or what they say their belief really is. What it is so essential for us to remember is that the vote at the ballot box is not the proof of democracy, and that the presence of members here in this house is not the proof of democracy. There are ballot boxes in Russia, in Hungary, in Germany, in Czechoslovakia, and in all the countries today under the domination of the cruelest form of dictatorship the world has yet known. There undoubtedly will be ballot boxes throughout the whole of China, and a vote will be taken which will probably be close to a one hundred per cent vote, when communists will be returned with great acclaim in every polling subdivision. No, the ballot is not the proof. It is what the voters know about the issues, and it is what the voters know about the things that are before the people for consideration. Then, having made their choice—

An hon. Member: They did.

Mr. Drew: Yes, they did; and this government will in due course be answerable for what the people did not know. You have the members sitting here in this house, and those who sit here are displaying limited knowledge of the machinery of democracy if they laugh at the suggestion that it is important that the members know what the facts are. Unless and until the members of this house, of all parties, assert their supremacy over the executive by their vote in this house; until they tell this government that it has no right to decide which laws it will observe and which it will not; until they tell this government that the laws passed by this parliament are the laws of the land to be observed, first of all and not last of all, by the government; until the members of this house, and particularly the members who belong to the party from which the government is drawn, assert their voice—until then, our own parliamentary system will continue under an ever-darkening cloud.

With a return to responsible government, and with the supremacy of parliament restored, we can look with confidence to the future. Wider opportunities are available to this country than were ever open to our vision in the past. The great oil developments of the west and the iron developments of the east are merely an indication of the vast expansion which lies before us. But we shall only be able to do the job we were chosen to do as representatives of the people of Canada if we insist upon receiving, and

receive, full and accurate knowledge of every essential fact that the government is able to obtain through its large and highly-trained civil service.

It is because of my confidence in what can be done to meet the tests that lie ahead if we really assert the full supremacy of parliament, and because of my confidence in what can be done by a free parliamentary system, that I present to this house the following amendment. I move, seconded by the hon. member for Peel (Mr. Graydon):

That the following words be added to the said address:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

(2) failed to take steps to inaugurate a national contributory system of old age pensions without a means test; and

(3) deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act on the flour milling industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government; and

(4) failed to take adequate measures to curb espionage and other harmful activities of communists in Canada.

For these and other reasons we respectfully submit that Your Excellency's advisers are not entitled to the confidence of this house."

Right Hon. L. S. St. Laurent (Prime Minister): It is indeed a pleasure, Mr. Speaker, for me to join with the leader of the opposition (Mr. Drew) in extending the usual congratulations to the hon. members who moved and seconded the address in reply to the speech from the throne. The hon. member for Kindersley (Mr. Larson) and the hon. member for Villeneuve (Mr. Dumas) are among the younger and newer members of this house, having come into parliament for the first time at the last general election. For this reason, if for no other, we as their colleagues are proud of the way in which they addressed the house. I think Kindersley and Villeneuve may also be proud of the manner in which they are represented here. The speeches made by the mover and the seconder reflect credit upon themselves, upon those who sent them here, and upon this parliament itself. The hon. member for Kindersley made a speech which, I am sure, we all felt deserved our congratulations and which was highly gratifying to us in its demonstration of the forensic ability he has brought to this parliament. He is one of the youngest members of the house, and has farmed in Saskatchewan since his college days, with the exception of four years when he was a member of the Royal Canadian Air Force, where he served with great distinction. He was decorated for that service. I think it is safe to say that the hon. member has a promising career before him.

The hon. member for Villeneuve (Mr. Dumas) spoke in both French and English. Those of us who were able to follow him in both languages heard, I think it is fair to say, an address of high merit. It was something that we expected from the hon. member, and we were not disappointed. The last election was not the first time that the hon. member had been elected to public office. He had established for himself a reputation in municipal affairs as manager, alderman and then mayor of the town of Malartic. The hon. member is a qualified land surveyor and forestry engineer, and I am sure that his professional knowledge and experience will be of value to us in the consideration of many of the problems with which we shall have to deal. The electors of Villeneuve can feel that they have made a happy choice in the selection of their representative in this parliament.

Of both I think it is fair to say that no finer introduction could have been made to the consideration and discussion of the questions with which we shall have to deal during this session than the utterances of these hon. members who respectively moved and seconded the address in reply to the speech from the throne. I repeat, I am very happy to extend to them sincere congratulations.

I think I should also extend congratulations to the leader of the opposition (Mr. Drew), not of course upon the assertions contained in his motion of amendment to the address in reply to the speech from the throne, nor upon the sentiments in the last paragraph of his amendment, but upon the ingenuity of some of the arguments submitted to us here today, upon the expression of his confidence, which I share, in the great future of this country, and in the abundance and varied nature of the resources with which it is blessed. Perhaps I might also offer congratulations to the leader of the opposition on, shall I say, the realism of his followers—perhaps the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Peace River (Mr. Low) might call it the optimism of his followers—in providing him with a permanent residence here in Ottawa as leader of his party. The hon. gentleman—

Mr. Drew: Mr. Speaker, I should explain that I understand it will be available for the present Prime Minister.

Mr. St. Laurent: I had understood that it was being vested in a trust made up of representatives of the party of which my hon. friend is the leader, and I would not expect anything else from that party but the establishment of a permanent residence for their leader.

The leader of the opposition seems to be somewhat concerned about the future of democratic institutions in our country. Well, he from time to time imparts some wisdom to his fellow citizens, and I was gratified to note that he was reported as having said this in London on February 8. I quote from the *Globe and Mail* of February 9:

> Our democratic system rests on the faith the people have in those offering themselves for public office.

Well, that is probably a lesson he learned from the last election. It was demonstrated in something like 73 per cent of the constituencies of this country that they did believe in a true democratic system, and that they did place their faith and confidence in the members of this party to discharge for them those functions of their citizenship which it is not convenient for them to deal with themselves in town meetings.

In his following words I think the hon. gentleman explained why there was that confidence and trust in those who were offering themselves for public office. He continued:

> The basic word in that system is truth. In the end it will be the people who will decide, and they will turn invariably to the party which they have come to trust and rely on.

And that is what they did; and that is no doubt what impressed itself upon the hon. gentleman and moved him to make that declaration.

Mr. Rowe: They did not have the McGregor report then.

Mr. St. Laurent: I am afraid that what I was going to say about the leader of the opposition might apply to his right-hand neighbour. I was going to add that the whole of the lesson that might be drawn from the result of the last election had not been absorbed by the hon. gentleman, because only four days later, in my own home city of Quebec, the hon. gentleman is reported in the *Gazette* of February 13 as having said this:

> In spite of its clear and unqualified promise that there would be no change in the constitution without consulting the provincial governments, steps were taken during the last session, without consulting any provincial government, which provided for very substantial amendments to our constitution which could have far-reaching effects upon the rights of the provinces.

Well, now, of course the people of my home city knew that that was just not true. They knew that no promises had been made that there would be no change in the constitution until after consultation with the provinces. They knew that what the hon. gentleman was referring to was a statement that I had made in a broadcast that after the election it was our intention to hold a conference with the provinces to try to devise a system under which we would be able to make in Canada all future amendments to the constitution; but that was not a statement that, until that arrangement had been arrived at, there would be no other amendments to the constitution on matters that did not concern the provinces. I am happy to say that the promise which had been made was carried out. As indicated in the speech from the throne, we did have this conference with the provincial representatives; and as was pointed out by the mover of the address the other day, there was unanimous agreement by all the governments represented at that conference that there were certain parts of the constitution that could be amended without reference to provincial governments or provincial representatives.

So that there may be opportunity to refer to it if hon. gentlemen care to do so, I would quote from page 99 of the published reports of the proceedings of the conference, where it is shown that the Minister of Justice (Mr. Garson), as chairman of the committee, brought in a report of a committee which had been set up to determine just how far we had progressed in the three days' discussion:

> Mr. Prime Minister and delegates: I am happy to read this report of the committee of the attorneys general of the constitutional conference of federal and provincial governments. In so doing, I announce with extreme pleasure that it was a unanimous report.
>
> Your committee recommends the following resolutions:
>
> 1. That the provisions of the British North America Acts 1867-1949 and other constitutional acts be grouped under six heads, namely:
>
> (1) Provisions which concern parliament only.
>
> (2) Provisions which concern the provincial legislatures only.

Then there are further paragraphs which I need not read, followed by this:

> 2. That in respect of group (1) amendment shall be made by an act of the parliament of Canada.
>
> 3. That in respect of group (2) amendment shall be made by an act of the provincial legislature.

That unanimous report of the attorneys general of Canada and the provinces was unanimously agreed to by the conference. A permanent committee was set up to recommend into which of these categories these various provisions might be placed. So that, if one wishes to receive support as a consequence of the assertion that the basis of confidence is truth, and that in turn the public will turn invariably to the party they have

come to trust and upon which they can rely, it is unwise, I suggest, to build up a straw man for the purpose of knocking it down, and build it up upon distortions of what the public knows to be the real facts.

Then, there is one other matter to which the hon. member has referred today. He has pointed out that when, about a year ago, devaluation of the Canadian dollar was suggested it was treated by us as nonsense, but that nevertheless shortly after the election of last summer the dollar was devalued. Well, I suggest it would be wise to see what changes occurred in the meantime.

A year ago it was proposed that there be devaluation of the Canadian dollar, and this at a time when the Chancellor of the Exchequer in the United Kingdom was declaring that sterling was not going to be devalued. The suggested Canadian devaluation would have been for the purpose of increasing the possibility of exports to the United Kingdom. We said it appeared to be nonsensical, because it would have made it all the more difficult for the United Kingdom to pay for Canadian exports by selling their goods to us; because if we had devalued at that time an import from the United Kingdom costing 90 cents would thereafter have cost one dollar. But when the United Kingdom devalued their sterling and made their price, instead of a dollar, 70 cents in Canadian currency, we found that that was going a little bit too far.

We had contended that their prices were too high to enable them to earn Canadian dollars in our market and be able to use those Canadian dollars to pay for our exports. But we felt that a 30 per cent devaluation in terms of Canadian dollars was rather more than the circumstances justified and, instead of leaving it at 70 per cent, we devalued our dollar by 10 per cent, thus making it 80. That was a very different situation from the one which existed at the time hon. members were suggesting that the Canadian dollar should be quoted at its real value. Whatever they meant by "real value" at that time, it was of course impossible for anyone to determine.

The leader of the opposition (Mr. Drew) talked today about the reasonableness of making currency convertible. The difficulty is not with respect to the converting of currency, but is rather with respect to the exchange of goods. Trade is not the passing of pieces of paper from one person to another. Trade resolves itself into the exchange of commodities; and the difficulties about the non-convertibility of exchange arise from the fact that there have not been commodities which could be delivered to us in exchange for our commodities exported to the United Kingdom.

The hon. gentleman has dealt at considerable length, and I propose to do likewise, with the unemployment which has developed to a significant degree in the last few weeks. This is a development which everyone regrets, both because of the hardship it imposes upon the families and individuals involved, and because of the loss of productive effort to the nation which is involved in any increase in unemployment.

But before we rush in with any rash generalizations, or are too much impressed by memories of the hungry thirties, I think it would be well for us to look at the real facts of the situation. The first real fact is that we have now, including Newfoundland, the largest labour force in our history. This labour force totals more than five million men and women. Our labour force is not only the largest we have ever had, but it is the best trained, the most skilled, the most diversified, and most productive.

Our greater productivity is attributable not only to the experience the labour force itself has gained through its varied skills, but through the experience management also has gained. I think it is fair to say that our labour-management team, that combination of labour and management today, is equipped with new and modern plant, machinery and power facilities resulting from the wartime and the post-war capital investment program which have been very large indeed.

I suggest we may speak with some pride of our labour-management team in Canada. With only a few regrettable exceptions, over the last few months labour and management have been able to get along together; and whenever any differences have arisen they have been able to sit down at a table in a practical and common-sense way. We have avoided the bitter, industrial strife which inevitably tends to develop class hatreds and leads to political as well as economic anarchy. When we consider the situation in some other parts of the world I think we can be sensible of the good judgment and reasonableness most of our management and labour leaders have shown in the post-war years.

The composition of our labour force is varied, and this fact must be kept in mind when one is considering the measures required to meet an unemployment situation when it develops. It is true that there has been a great increase in the mobility and adaptability of Canadian labour in general; but there are practical limits within which that adaptability and mobility can be exercised. For example there is no point in providing a girl who has been laid off from a small textile plant with a job which would arise from the construction of a sewer project nearby.

In round figures about one million of our five million labour force are farmers and other agricultural workers. Another half million are normally employed in other primary industries such as mining, forestry and construction. Manufacturing, in terms of employment, does not bulk as large as some might think, and accounts in fact for only a little over a million operatives. The balance is made up by the wide range of service or professional occupations, transportation, merchandising, distribution, and civil service at all levels of government. This break-down is of some importance. Unemployed people are not just statistics. They are persons with special individual skills and adaptabilities. This is a part of the background we must appreciate when we speak of unemployment in general terms.

This consideration of the size, skills and composition of our labour force is one of primary importance in thinking of remedies for any unemployment that develops. Another obvious factor is the extraordinary times in which we live, and the exceptional conditions we have experienced. It is still difficult to grasp in their proper perspective the magnitude of the changes of the last decade. In 1939 Canada was a civilian economy organized on a normal peacetime basis. About one-quarter of one per cent of our labour force was in the armed forces. Our armament capacity and production were practically nil. Five years later two million of our people, four out of every ten of our labour force were either in the armed forces or directly engaged in war industries. Our whole economy had been transformed from a peacetime to a wartime basis. It may sound rhetorical, but it is true that Canada had become one of the most important arsenals of embattled democracy. In the next couple of years that economy was to experience another violent reorientation. The war establishment was dismantled and the two million people directly involved had to be re-established in civilian life.

No argument or apology is necessary for the fact that the government of the day viewed with considerable misgivings and concern the possible disruption of the economy as a whole, and the individual lives of so many of our citizens. Precautionary steps were taken on an extensive scale. The government made generous and comprehensive provision for our veterans, and incidentally have provided thereby through provisions made for veterans, through unemployment insurance, family allowances, and the increase in old age pensions, for a wide distribution of purchasing power in Canada.

At the same time our assistance in providing relief and rebuilding the western European economy, which is admittedly of such vital importance to us, far exceeded on a proportionate basis even the generous efforts of our great southern neighbour. War plants were reconverted. The labour force found new employment in satisfying the war-deferred demands of our civilian economy. The shift was made from a war to a peace basis with an expanding level of production, employment, income and general well-being, and with an almost unbelievable minimum of friction and discomfort. We have no regrets that some of the emergency measures which were prepared to meet possible distress were found unnecessary.

Nevertheless, as I said, the recent growth in unemployment is now a matter of serious concern. It would not have been surprising if this had occurred before or even if it had been more extensive. When we consider the terrible destruction of the war in Europe and Asia, the fearsome partition which has since developed between the two great armed camps, the disruption of normal trade and exchange and the break-down of the complex pre-war international economic and political system in many parts of the world, I think it is really extraordinary that Canada has been able to maintain such an exceptionally favourable position for so long.

I do not suggest for a moment that we are immune or that we can make ourselves immune to the violent dislocations which have occurred and are continuing to occur in so much of the world. A country as dependent as Canada on a free flow and high volume of international trade, which has always been and will always continue to be a necessary consequence of the nature of our resources, is inevitably vulnerable to external developments over which we have no direct control. Some part of our unemployment, and no doubt much of the concern which farmers, fishermen and other primary producers now feel, arise directly from marketing difficulties abroad. These difficulties of course are basically difficulties of our traditional overseas customers, but they are in time passed on to us.

Another unfortunate development has been the most unusual seasonal weather this winter. We may well echo the standard complaint that everybody talks about the weather and no one does anything about it. The fact remains that the weather, in a country such as Canada, plays a very important part in our whole economic life. Too much snow stops railway trains. We know that happened in the west. Too little snow puts ski lodges in a very precarious position, and we know that

happened north of Montreal. A bare winter kills pastures, and too much snow in the bush impedes forest operations. Every one of us is affected in some way by the vagaries of the weather. This year, in the last few weeks, the combined result of these various factors—marketing difficulties arising from the dollar shortage of our chief customers, the impact of sterling devaluation on a few of our industries, adverse weather conditions—is felt now more sharply because we are just approaching the normal seasonal peak of unemployment for the year.

I have said that the impact of the devaluation of sterling has meant some distress to a few of our industries. That was foreseen, and it is something which I think we just must not attempt to prevent. For the good of the nation in general we want an increase in the exports of Great Britain to ourselves, our imports from the United Kingdom, so that the price of these imports can be converted into dollars usable to pay for the surpluses we must continue to export to the United Kingdom. Such distress is something unfortunate that has to be considered. We have to attempt to deal with it, but we must not attempt to deal with it in a way that would shut out such imports from our country because they are harmful to some of our local industries. It is the only way in which we will secure the restoration of world trade, and of the trade that is essential to the prosperity of this country.

The seasonal ups and downs of employment are basically of course simply the effects of nature and climate. Nature and climate determine when crops can be sown and harvested; nature and climate determine when is the best time to perform outdoor work. In Canada we normally expect our peak of seasonal unemployment in February or March. There is some variation according to the different regions of the country. We get our peak of employment in August or September. The seasonal rise in unemployment this year has been accentuated to a substantial degree by a reduction in woods operations which normally absorb a large number of farmers and construction workers who otherwise would be idle during the winter. This reduction in woods operations is due in part to the loss of overseas markets, especially for pit props from northeastern New Brunswick, but it is due in much larger part to other conditions. The three previous operating seasons had been seasons of favourable weather conditions, and the pulp and paper companies rebuilt their stocks to rather more than normal size. About eight or nine months ago, as hon. members know, there was an indication of some slackening of economic activity in the United States. Our pulp and paper people felt that it would be a prudent thing to reduce the size of their inventories in which so much of their working capital was tied up at rather high costs of production.

I am informed the result was that this year there were about 35,000 fewer jobs in the woods than in previous years. That does not mean unemployment merely for 35,000 men. With that number of men not working in the bush there is the indirect effect on the producers of mackinaws in the Ottawa valley, the producers of blankets, and those who furnish supplies of all kinds; and in certain localities this has had a pretty serious effect on the number of people out of work. I am informed that the usual cut of wood for pulp and paper is of the order of seven and one-half million "cunits", a cunit being one hundred cubic feet, but that for this season it will not exceed five million eight hundred thousand cunits, a reduction of some twenty per cent. It has been expressed to me in another way. The pulp and paper companies have been carrying supplies to last them on an average of about thirteen and a half months. Those supplies now are down to something of the order of ten and a half months.

The fears that were entertained in regard to a falling off in the United States demand were not realized. As a matter of fact the January consumption of newsprint was higher this year than in any previous January in history. There was a period last summer, as we all know, when the demand for wood pulp was quite low, and several operators were either working a short week or closing completely. I am told that at the present time, however, the demand for wood pulp has picked up, and that there are orders for the normal production of our plants.

That, I think, is an illustration of a point I might make here. Let us not harm ourselves with fear. The present unemployment situation would have been very much easier if those 35,000 jobs in the bush had been available this winter. As it turns out now, conditions were such that the companies would have been perfectly justified in providing those jobs. Their woodpiles will have to be rebuilt. For the future, therefore, there is not a definite loss; they will have to rebuild those woodpiles, but the unevenness in the process of doing so has increased the difficulty.

Then there are the weather difficulties. The other day I was handed a report from a Vancouver newspaper which said some 3,400 men were going back to work in the mills in that locality the following Monday morning because weather conditions had improved, and because it had become possible to get trains moving over the tracks that had been cluttered up with snow. That is a seasonal situation.

I am not trying to minimize the difficulties we are facing, but I am trying to place them in their proper setting, to indicate that much of this problem is seasonal and that already there has been recovery of a certain portion of the extent by which the seasonal unemployment this year exceeded seasonal unemployment in normal years.

Because of these conditions it is true that some 370,000 persons were listed with the national employment service as looking for work; and the leader of the opposition (Mr. Drew) is also correct in saying that these are not accurate statistics of persons out of work. A large number of those listed with the employment service already have jobs but want better ones. On the other hand it is true that quite a large number of those out of work and wanting jobs are not listed with the employment service. But those employment service figures are kept from day to day, and they do show a trend.

The dominion bureau of statistics makes a quarterly sampling all over the country and gets a pretty accurate computation of the number of people without jobs during the week the sampling is made. Those figures do not always jibe exactly with those of the national employment service, because they are not made up in the same way. To repeat, the figures of the employment service do not contain all those who are out of work, and do contain quite a number who have jobs but want better ones. However, they do indicate a situation about which we are all concerned, because they show 120,000 more than there were at the end of 1948 and the beginning of 1949, and 120,000 more than is normally the case.

Seasonal unemployment is a normal situation; it is unavoidable, and it is the kind of situation for which unemployment insurance was provided. If no one was going to be out of a job it would be quite senseless to be taking contributions from the workingmen, from the employers and from the government to build up a fund that never would be drawn upon. It is because we have this seasonal unemployment that we have unemployment insurance. This time unemployment insurance has been called upon to meet the most serious test since it was inaugurated, and we have come to the conclusion that it should be extended. It does not go far enough to take care of what is happening this year and what may recur in the years to come, perhaps not with the same severity but to a greater extent than we have known in the past, in the years to come.

Mr. Harris (Danforth): May I ask just one question? I know the Prime Minister will permit this question. Is that unemployment insurance fund clear of all other obligation, and is it immediately available for the purposes for which it was designed?

Mr. St. Laurent: It is. That fund is intact and is available. Of course, there may be portions of it which have been invested in government bonds, but they can be converted within hours and paid out if there are claims which are due under the act.

Mr. Harris (Danforth): It has not been dissipated in any way?

Mr. St. Laurent: In no way whatever, and it has been growing all the time. Even through these last periods, it has shown an upward curve. It is our view, and we are going to submit that view to parliament for parliament to deal with it, that there should be a further extension of security by the unemployment insurance fund.

Mr. Harris (Danforth): Why have parliament deal with it? Is it not an unemployment insurance fund?

Mr. St. Laurent: The unemployment insurance fund is governed by a statute. All the payments that can be made under that statute have been made. It is proposed now to ask parliament to amend the statute, so that cases which could not be compensated before will be allocated funds in the future.

Mr. Harris (Danforth): Before, but not after?

Mr. St. Laurent: After the amendment is made.

This report of unplaced persons shows a considerable regional variation in numbers applying for work in relation to the labour forces. The figures are proportionately higher in British Columbia, largely concentrated in Vancouver. Generally, that is so, but they are higher this year than for other years. The next region, taken as a whole, is the maritime region, although there are certain spots in my own province of Quebec, such as Port Alfred, La Tuque, and Shawinigan Falls, in which the figures are higher than the average for the maritimes. This is due to the fact that so many of these localities are normally engaged in forest operations, which were curtailed during this last season.

In Ontario and the prairies, with the exception of a few special areas such as the head of the lakes, the figures have remained low. In fact, in most of these areas and in southwestern Ontario in particular, the figures are at such a level as before the war would have been considered as indicative of full employment. There is an irreducible minimum in unemployment that has to be taken care of by unemployment insurance. At the present time, the situation is clearly

not one of mass national unemployment. It could better be described as spotty unemployment, applying to particular localities and industries with special severity. That is not to suggest it is any less serious or important, but it does call for a different approach and different treatment than would a general, national situation.

In that connection, I should like to say something about the state of the economy of Canada as a whole, and of the outlook as it appears to us from the information we get from those efficient civil servants to whom the hon. leader of the opposition has paid a well-deserved tribute.

We started the twentieth century with high hopes. I believe it is somewhat appropriate, at the halfway mark, to appraise the degree of achievement that has been realized. The bureau of statistics has just issued what seems to me to be a timely report entitled, "Canada at the Halfway Mark of the Twentieth Century". I understand it has been distributed to hon. members. It is published as a supplement to the February issue of the Canadian Statistical Review. It is not a detailed review, but simply a summary of the highlights.

The most significant flows and factors in our economic life, which determine our final gross national product and our standard of living, have been selected and shown in a brief, simple form. Where it has been possible, volume comparisons have been made, and comparisons between the volume at the present-day dollar, and at the dollar with a greater purchasing power. This document includes many of the figures which illustrate points I am trying to make. For example, the statistics on the labour force and unemployment, to which I have referred, are summarized in convenient form. I would point out that the bureau supplement is limited to matters of factual record, and does not include estimates and forecasts for the present year, to which I shall shortly be referring.

A glance through it shows that we have come a long way indeed since the opening of the century. Perhaps the period most interesting to us would be that of the last ten years. Production, and with it individual consumption, has increased 50 per cent per person, in terms of real goods and services, since 1939. There can be few cases where a whole nation's standard of living has increased so rapidly in such a brief period. The increase has been a balanced and healthy increase. Farm income has trebled, while farm debt has diminished quite substantially. Labour income has trebled. Our gross national product, that is the total value of all goods and services produced in the country, has tripled. Our foreign trade is nearly four times what it was in 1939. Those gains are striking in themselves, and they are striking in comparison with what has happened in other countries.

Mr. Brooks: What about the cost of living?

Mr. St. Laurent: The cost of living index is now about 161, I believe, as against 100. With farm income three times what it was and labour income three times what it was, while the cost of living is up about one and six-tenths what it was, there is justification for my saying it has been a healthy increase.

Of course, this is due in a certain measure to the terrible destruction of the war in Europe and Asia, and to the virtual elimination for the time being of Germany and Japan as important producers, as well as the crippling of the rest of European resources and industry. But Canada showed it had a capacity to step into the gap, and consolidate and further develop this great economic expansion which has continued in the post-war years. We are today the third trader in the world in absolute terms. This may sound surprising, but per capita we trade three times as much as they do in the United States, and twice as much as they do in the United Kingdom. Ten years ago we were of little international significance as an industrial power, while today we are among the first half dozen in the world. We hold similar rank in commercial agriculture, in mining, in forestry production and in fishing. These are no mean achievements for a country with about one-half of one per cent of the world's population; they have combined to give us a prosperous, diversified, sound economy. It is important to keep this general and really remarkable background in mind when we turn to some of the problems that face us today.

The economic outlook for 1950 is one of continuing general buoyancy, but with an increasing number of special industrial and associated area problems. Forecasts of the economic outlook are made by the economic research and development branch of the Department of Trade and Commerce for the use of the government. They provide us with a scientific and complete economic appraisal of the foreign trade and domestic business outlook, and of the trends of other significant factors, which is helpful to us in formation of policy. They are not made for publicity purposes, but are made to advise us what we have to expect, so that we may attempt to shape our policies accordingly. The forecast this year is for a gross national product of about $16,250 million, as compared with the record hitherto of $16 billion in 1949.

We anticipate little over-all price change. That means that we expect a proportionate increase in physical volume.

The outlook, however, for two of the major supporting factors in our economy, domestic investment and export trade, has some marked differences. An extensive survey of the investment intentions for 1950, covering some 17,500 firms and covering all levels of government, reports an anticipated new capital expenditure in plant, machinery, equipment and housing of $3,600 million. This will be about 5 per cent in volume and value above the record figures of 1949. The direct government portion, our portion, of that is estimated at $553 million, and that figure is some 21 per cent higher than last year. This is a total of 22 per cent of the gross national product for 1950. That 22 per cent of the whole income of the country being put into development of further resources, into capital savings, to increase the productivity and amenities of the country, is an extraordinarily high figure. I agree with the leader of the opposition that all these investments are going to be good ones, and I think that they will be self-liquidating, to use the expression he himself used. But there is a limit beyond which it is not possible to go. Twenty-two per cent of the whole product of the nation going into development for its future generations is a fairly substantial sum to be putting into such development.

We must realize that, in order to have profitable and self-liquidating investments, we must have peace in the world and in order to have peace in the world we must do our share in the North Atlantic arrangement. That means that a portion, and unfortunately quite a substantial portion, of our gross national product must be devoted to the maintenance and preparation of armed forces and equipment in order to create that situation which will inspire respect in those who might be aggressors. I do not think that those armed forces and the armaments with which we are providing them are ever going to be called into action but I believe that if we did not have them we would require them. The only way in which we can make ourselves reasonably sure that what we are investing in the development of the national resources of our country will be self-liquidating is to make, with the other signatories of the North Atlantic treaty, our contribution in maintaining a united and strong aggregation that no aggressor will feel it is an easy job to attempt to overcome.

I have mentioned these figures that are going into development according to the surveys that were made; these expenditures have a tremendous bolstering effect on both income and employment, and they obviously modernize and strengthen our productive equipment. In the five years since 1946, when this method of accounting for capital development was started, we have put more than $14 billion into the development of our country, that is including the $3,600 million that is anticipated for this year. That of course has gone not only into plant and machinery but into all the institutional services, the hospitals, and the homes, all that can be regarded as capital investment to increase the comforts of the people of the country.

This figure is all the more striking because of the uncertainty that was felt concerning the future at the end of the war. The possibility of a sharp recession was feared and the general thinking of 1945 was that the government should be prepared to step in and help support employment and income by various measures including a large public works program should it be needed. One of the steps taken to this end was the provision of a so-called shelf or reserve of fully-planned public works which could be undertaken as conditions required. To make this particular project effective, it was felt that the active co-operation of provincial governments and municipalities should be enlisted since they normally account for about double the capital expenditure made by the federal government. This was attempted at the 1945 conference; and in addition, financial assistance was offered to stimulate and develop planning in advance, and special inducements were proposed to make it financially advantageous for provincial governments and municipalities to co-operate in the shelf project and to co-ordinate the timing or execution of these public works. It was felt that with that kind of co-ordination it would be possible to time the execution not only of such projects as were of national concern but also of those which were local responsibilities of provincial or municipal administrations, and that would have made it possible to deal not only with conditions that are apt to affect the whole economy of the nation but also with the localized or spotty unemployment situations which might arise and which could be taken care of by works that do not come under federal jurisdiction, such as municipal water works, sewers, sidewalks and pavements.

As the leader of the opposition will remember, there was even some question as to whether or not plans for a subway system in Toronto could not be part of the shelf for which planning grants would be made and toward the cost of which a contribution might be available if the work was carried out at a time when it was required to meet unemployment situations.

But we know what happened to those plans. Although the effectiveness of a shelf was greatly reduced by the absence of provincial

participation, the federal government has tried to go ahead with the effort to apply the principle of proper timing to its own direct capital expenditure. But as events developed, it rapidly appeared that the immediate problem was not to plan for additional government expenditure but rather to hold public building down to the minimum in order to make labour and materials available to satisfy the private investment boom and not to intensify the strong inflationary pressures which existed.

I am sure we who are believers in private enterprise would all prefer to see the employment necessary to give a job to every Canadian man and woman who wants to work come from work provided by private enterprise, and that we feel it is only whenever it might appear that private enterprise was lagging that we should stimulate public investment so as to maintain employment and prosperity. As a further practical consideration, adequate technical personnel to carry out a program of advance planning over and above the regular departmental work was simply not available unless we attempted to compete, for those who were capable of performing that work, with private enterprise that was already employing them, and we felt that that was not the right thing to do.

It did not seem desirable, in face of the over-all shortage of scientific and technical personnel, for the government to undertake to compete for their services at the cost of restricting private business expansion. And as a result the shelf as such never reached large amounts. It was limited to a relatively narrow category of projects for which standardized plans could be prepared and filed.

As events developed, the situation evidently called for a re-examination, and a new approach was made last year.

Not only has the nature of the unemployment we were providing for changed radically from the possibilities envisaged in 1945, but the practical experience acquired in attempting to develop a shelf without provincial and municipal co-operation indicated the need of a more flexible method of preparing to meet possible eventualities. A survey was made last year of the state of planning of all capital projects of the federal government, including some, like the trans-Canada highway, to be executed jointly with provincial governments. I am talking now about government projects only, federal, provincial and municipal. Projects which were completely planned as of March 31 last year, and in some cases already under way, totalled $722 million. Projects in various stages of planning from the survey to the detailed preparation stage, amounted to approximately $1 billion. A third category of projects to which preliminary consideration had been given, and for which preliminary plans were ready and which could be executed within a period of not more than five years, were put at $1,300 million. The total of these three categories, themselves amounting to some 5,000 projects, had a value of some $3 billion, quite a substantial sum, but less than is going to be done in this one year under the intentions we have ascertained from the survey of private enterprise as well as government authorities.

Mr. Macdonnell (Greenwood): Will the Prime Minister permit a question? He gave us the figure of federal expenditure for the coming year. Has the Prime Minister the provincial figure?

Mr. St. Laurent: No, I am sorry I have not. I understand that it is very large. It is included in the $3,600 million. I understand that in the province of Ontario it is something of the order of $25 million a month for the year.

There are also obvious practical limitations in launching any large building project in the dead of winter to meet some abnormal seasonal unemployment. That just cannot be done. No relief could have been afforded to Vancouver at any time since this situation developed by launching any further building project out there.

The results of the survey satisfied the government that the shelf concept, when limited to its own public investment program, was not the best approach at the present time. The approach now is one of greater co-ordination and expansion of departmental programs for such works as are purely federal, and renewed efforts to secure provincial co-operation in such national undertakings as the trans-Canada highway, natural resources development and conservation and local housing schemes.

A word of warning should be sounded about the effectiveness of a public works program as a cure-all for unemployment. Such a program necessarily operates through the construction industry. Where that industry is lagging, anything done to activate it stimulates the whole economy. But ever since 1945 our construction industry has enjoyed a very high level of activity, and our survey indicates that private enterprise is going to keep it very active throughout the whole of this year.

It is also true that construction costs remain high though the availability of supplies and the greater productivity of labour have brought about some reduction. Still any unnecessary competition by government with private enterprise for the available supplies

and the available skilled labour in the construction industry at this time would not appear to be very helpful in increasing over-all employment in that industry. Unless it could be likely to increase over-all employment there is no point in spending public money instead of having private enterprise invest its own money in its own way.

Another consideration which is sometimes overlooked is that the type of public project which the federal authorities could undertake might not be at all suitable for the kind of people in a given area who are in need of work. In considering the possible role of public works today, and the present usefulness of a shelf, we must give particular emphasis to the nature of the unemployment and the general conditions prevailing in the economy. As I have said unemployment today arises from a softness, to some extent seasonal, which is concentrated largely in a few specialized industries and areas. The national responsibility to which this government is committed is to do all in its power to maintain a high national level of employment and income. And this, in spite of some serious external difficulties, we have succeeded in doing and we are confident that we shall continue to do so. This is a very different matter, however, from taking federal action to meet special local situations when the general level of prosperity is as high as it is in Canada today.

Whenever it is felt that some local situation should be taken care of by proceeding with works which are of concern to the authorities of that locality, it must not be forgotten that municipal institutions are agencies of the province; and if provincial autonomy means anything, it must mean that we should not attempt to deal with municipal problems without the intervention of the provincial governments. That does not mean that we are not concerned with the well-being of all Canadians, wherever they happen to be, and that we will not always attempt to time our own public works and expenditures so that the residue of any local problem over and above the national average may be as light as possible. But there will inevitably be some residuary problems from time to time in some areas, and the initiative in dealing with them must be taken by the local authorities. If they need assistance they should go first to their provincial governments, and if both they and the provincial authorities feel that there are grounds for federal help in the interest of the nation as a whole, the request for federal intervention should be made by and through the provincial authorities.

It is not very consistent to talk about provincial autonomy and then attempt to put on the federal doorstep every practical problem that crops up.

I believe that in looking to the future special emphasis should be placed on natural resources development and conservation policies. In that I find myself in agreement with the leader of the opposition. This is a field that today has more promise than ever before, and has particular interest for us because of the eventual effect it will have on our trade picture. Alberta oil, Steep Rock and Labrador iron ores, and Quebec titanium, and more scientific use of our forest resources, are outstanding examples of resources development which can and will make a radical change in our present unbalanced trade picture vis-à-vis the United States. While our domestic investment boom promises to continue at increasing records, there are many to whom our export prospects do not appear to be so encouraging. Our primary difficulty can be put as simply as one, two, three. One, we buy more from the United States than we are able to sell them; two, we sell more to the rest of the world than we buy from them; and three, our customers are unable to provide the United States dollars which would enable us to balance one against the other. And that is not just a problem of convertibility. The dollars or pounds are merely symbols; and unless there are the commodities available that those dollars or pounds would call for, they are of no immediate use.

I noticed the other day that Sir Stafford Cripps answered the same question put to him, in an interview, when he was asked about the possibility of Canada taking sterling for our sales to them. He said, "Of course that would be merely another way of extending a further loan to us, without interest." That must be realized—and I am sure it is realized, that the people of Canada know that we want to export. As the leader of the opposition (Mr. Drew) has said, we want to find markets for our increasing production; but we do not want to find markets which will absorb our products and give us nothing in return. That is why we are doing our best, as stated in the speech from the throne, to facilitate the earning of Canadian dollars by our European customers. It is going to be a little painful for some of us in some quarters; but I think it is the only way by which we can reach that goal of convertibility—that is to say, that goal where we would not be giving our goods away, and where we would not ourselves continue to be providing by loans the Canadian dollars with which they will pay. Because those loans of Canadian dollars will eventually have to be

either written off or reimbursed in commodities. We will have to take goods for everything owed to us—or take nothing.

It is true that at the present time part of our overseas exports are dependent upon the continued extension of United States credit and grants to Europe. Perhaps we would not lose very much of our present sales to Europe through ECA offshore purchasing if this were discontinued. But it would be an important fraction, particularly to some individual groups and areas, if it were not offset by increased imports from Europe. Our own balance of payments position now gives us very little room to extend further credits ourselves.

At the same time a significant amount of our industrial raw material and consumer goods requirements is dependent on our finding the United States dollars to meet our deficit there. We are therefore in a vulnerable position on both export and import accounts. That is why the development of our resources, particularly in such things as oil and iron for which we are so heavily dependent on the United States, is of double advantage. It expands our own production income and wealth, and it helps meet the United States dollar problem to which our trade is so vulnerable.

May I give only two examples, one of the saving of United States dollars, and the other of the earning of United States dollars. Our exports to the United States in 1947 were valued at about $1,056 million, while in 1949 they were $1,524 million. This is an increase of half a billion dollars in 1949 over 1947.

In 1948 our petroleum imports were valued at $301 million, and in 1949 we had reduced them to $274 million. The crude we produced in Canada in 1948 amounted to 12,287,000 barrels at an estimated value of $37,419,000. The crude produced in Canada in 1949, to the extent of 22,210,000 barrels, had an estimated value of $62,333,000.

We believe, and indeed I should think everyone in the house believes, that there are oil resources in Alberta sufficient to equal the consumption of the whole Canadian nation. It may not be possible or economical to deliver that oil to consumption points throughout Canada. But we can hope that what we will have over the requirements of those who can get it at economical transportation costs can be sold elsewhere so as to provide us with the dollars necessary to continue to purchase from the United States equivalent quantities to be consumed in eastern parts which are not accessible, under economic conditions, to the oil wells of Alberta.

Then, concerning the export of iron ore, I have before me only those figures for the Steep Rock mine. They show that in 1948 there were 670,000 tons, and in 1949, 1,068,000 tons. That is increasing; and there are prospects from the tremendous deposits in northeastern Quebec and Labrador. There are possibilities of tremendous expansion in the export of titanium ores from the north shore of the St. Lawrence river.

I believe we have reason to look to the future with some confidence. We have these balance-of-payment difficulties, but we expect our balance of payments with the United States will be improved during 1950. On the other hand, for reasons which are not within our control or significant influence, we must accept some reduction in our sales to the rest of the world. The net over-all effect is estimated to be that our 1950 imports will remain at the 1949 level, although with some change in national sources of procurement. We hope that more will come from sterling sources and less from American-dollar sources.

Our total exports and our balance of trade may be down as much as $250 million. This has serious implications in that it will be borne unequally by different industries and different areas, and it will contribute to the spotty nature and rather specialized soft spots of our economy during this year. However, that should not be a major factor in increasing unemployment.

Up to now, thanks to the buoyancy of the domestic market, many of the manufacturing industries adversely affected have been able to replace lost export sales with domestic sales. More adverse effects may be felt by some relatively specialized groups of primary producers for whom Europe has been the chief, or price determining, market.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. St. Laurent: Mr. Speaker, the last point I was endeavouring to make before the dinner recess was that the two major factors expected to have a significant influence on the level of employment and income during 1950 were the level of our domestic investments and the level of our overseas exports. It is true it so happens that in dollar terms the rise in domestic investment will just about offset the expected drop in the volume of our overseas exports, but we must recognize the fact that things will not average out

as neatly as all that for the individuals concerned. That is why the measures which the government will take to deal with our economic problems this year will of necessity be flexible, be selective and be designed to meet special situations rather than anything in the nature of a grandiose over-all blueprint for the general economy of the nation.

I have already indicated that these measures consist first of all of the extension of unemployment insurance to take care of a larger volume of unemployment than was normally to be expected; second, the extension of authority for price support of agricultural and fisheries products to ease the impact of the readjustment which is necessary, and which everyone had realized would be necessary. Then we wish to go ahead as rapidly as possible with the trans-Canada highway, and negotiations are being pursued actively with the provincial administrations to bring that about. We are also anxious to get ahead with further housing. Further housing is required, and hon. members know that the provisions of the National Housing Act were liberalized by amendments made at the last session to provide for maintaining activity in the construction of residential housing. We are also negotiating with the provincial administrations along the lines authorized by the legislation adopted at the last session with respect to forestry and the conservation of other natural resources.

In addition to what will be taken care of in that way there may remain some residual local problems, but there is probably no locality where there is unemployment today that could not stand more housing construction. If they will co-operate that will do much to relieve all that can be relieved by means of the construction industry. There are probably not many localities where there is unemployment that could not stand more municipal improvements such as water works, sewers, sidewalks, paving, and so forth. Our municipalities are all in a good sound situation at the present time, and can consider the prosecution of local improvements if they feel that the employment situation in their midst would be benefited thereby.

During the dinner recess I saw an editorial in today's Ottawa *Journal* which may require me to take a little more than the ten minutes I anticipated before the recess. The editorial is headed:

> Unemployment insurance doesn't make jobs.

That is partially true. Unemployment insurance does not create new jobs, but unemployment insurance, like all other measures which have been taken to distribute purchasing power, maintains jobs and maintains economic activity. As I said before, that results from the distribution of purchasing power under the veterans' charter, from its distribution under the Family Allowances Act, from the increase in old age pensions, and from the substantial amounts that have been paid out under existing legislation respecting unemployment insurance.

As to pensions, it is true there was no specific reference thereto in the speech from the throne, and that a motion has been put on the order paper calling for the setting up of a committee to look into the whole matter; but I do wish to repudiate the charge that there has been any change in the attitude of the government. In December, 1948, shortly after I had assumed the responsibilities of the office I now occupy, I stated what the policy was in that respect. Part of what I said at that time was:

> There are also old age pensions. The Liberal party is not fully satisfied with the present old age pension scheme even though old age pensions were started by a Liberal government. The Liberal aim is a contributory scheme in which everyone can pay in something during his working years to help provide security for his old age. But a contributory plan will require an agreement with the provincial governments, and so far it has not been possible to reach such an agreement.

That is exactly the substance of what I said during the election campaign. I referred to it in a national broadcast made from Moncton on the 19th of May, 1949. At that time I said:

> In a broadcast last December I said it was the policy of the Liberal party to improve the present old age pension scheme. One big advance was the increase of $10 a month in the pension made last month.

I was speaking in May, and the increase of $10 had been provided in legislation adopted in April.

> But the Liberal aim is a contributory system in which everyone can pay in something in his working years to help provide security as a matter of right in his old age. Contributory old age pensions, like health insurance, require an agreement with the provinces, and so far it has not been possible to reach such an agreement.

It has not been possible yet to reach such an agreement. I added at that time:

> But we are going to continue to work for an agreement, and meanwhile, as I have said, something substantial has been done this year for the old age pensioners.

We have provided for another conference with the provincial authorities to take place early in the fall. In the amendment moved by the leader of the opposition (Mr. Drew) there is a charge of failure, in these terms:

> Failed to take steps to inaugurate a national contributory system of old age pensions without a means test.

I am wondering whether that means that our failure consists in not doing it without an agreement with the provinces. We do not think it can be done. We do not think there can be contributions required for the specific purpose of old age pensions, or any other security benefits, without an agreement with the provinces. I find it rather strange that the hon. gentleman who is so insistent about provincial autonomy should be charging us with failure to do something which cannot be done without that agreement.

Mr. Drew: Which you never sought.

Mr. St. Laurent: I did not catch what the hon. member said.

Mr. Drew: And which you never sought.

Mr. St. Laurent: Which we never sought?

Mr. Drew: Never.

Mr. St. Laurent: The hon. gentleman has a memory that does not go back as far as 1945 because I was there in 1945, and the hon. gentleman was also there in another capacity than that of leader of the opposition in this house. Well, we both know whether or not an agreement was sought, and we both know why no agreement was reached. We are going to have another conference in the autumn of 1950 and the hon. gentleman will not be there as a provincial representative, so we may get an agreement. From the difference in the tone of the deliberations at the dominion-provincial conference in January of this year and that of 1945 and 1946, I have reason to expect that something may be accomplished.

This same article which bears the title "Unemployment insurance doesn't make jobs" goes on to point to another straw man which is raised by some distortion of the facts from which the inferences are drawn. The article says:

> The government's position with respect to trade is a poor one, no matter how examined. If it believed what it was telling the country six months age, which was that trade was at "unprecedented peaks" and would likely stay there, then it must be convicted of not knowing its business. If it didn't believe what it was telling the country six months ago, and knew that trade was in a bad way and might get worse, it must be convicted of deliberate deception.

Part of that is true, but part is not true. We did say six months ago that trade was at unprecedented peaks, and that was true. But we did not say it was likely to stay there. We did say there were serious difficulties; that we would do our best to overcome those difficulties; and if they were difficulties that could be overcome there was no man better qualified to do what might be required than the then and present Minister of Trade and Commerce (Mr. Howe). Let us see what I said in Port Arthur, the home town of the minister, on April 22, 1949; I have the text here:

> The whole future of Canadian trade—and Canadian prosperity—depended on new resourcefulness and new energy and bold initiative on the part of government. Almost overnight the Department of Trade and Commerce became one of the most important in the government—and it was then that Mr. King turned once more to Mr. Howe.
>
> Now, I am not going to claim that Mr. Howe has solved all our trade problems, because, if I did, he would get up at once and tell me I was mistaken.

Some hon. Members: He sure would.

Mr. St. Laurent: Oh, yes; hon. gentlemen may laugh about that; but the minister does talk even to his best friends, whether or not he agrees with them, in such a way that we always know where he stands and what is his position. I said and I believed that if I were to make that statement he would get up at once and tell me I was mistaken. Then I added:

> He knows the problems are still thorny and there is no easy solution—but I will venture the prediction that if Mr. Howe and those who are working with him don't find a solution, there won't be one to find.

I made a similar statement on May 18 at Amherst, when I said:

> Now it is quite true that the maintenance of markets for our surplus production is a problem. It is a problem not because of any condition in Canada but because of the dislocation of trade and the destruction of productive capacity in our former markets overseas. The restoration of the British market and western European markets has been a problem, a continuing problem, ever since the end of the war. And it is going to continue to be a problem for a good many years yet. But the fact is that up to the present, Canadian exporters, with pretty active co-operation from the government, have been able to find markets for nearly all they produce which cannot be sold profitably in Canada.

I made similar statements on May 19 in a broadcast from Moncton; on June 1 at Owen Sound; on June 4 at Hamilton; on June 15 at Pembroke; on June 21 at Toronto; and on June 24 at St. John's, Newfoundland. In those statements I said it was a serious problem but I did not believe—and I do not believe—any man in Canada is better qualified to handle it than the Minister of Trade and Commerce.

Now I should say a word about old age pensions. We are asking the house to set up a committee to look at all aspects of the problem, because there are aspects as to which it will be very valuable for all hon. members to have as much information and as much of the factual background as possible. I have gone into the matter to a certain extent, though not the extent to which it will be gone into by the committee. I have obtained some preliminary figures. As of September 30, 1949, some 265,000 old age pensioners were qualified under the means test. At that time

if there had been no means test and the pension had been payable as a matter of right to all persons over seventy, some 670,000 persons would have been entitled to receive it. The expenditure, instead of being $99 million at the rate of $40 a month, would have been $322 million. At the rate of $50 a month it would have been $404 million; at $60 a month it would have been $485 million; and at $100 a month, as some suggested, it would have been $807 million. If the age limit were reduced to sixty-five, at $40 a month the cost would be $528 million; at $50 a month it would be $660 million; at $60 a month it would be $790 million; and at $100 a month it would be $1,319 million.

I also inquired as to the estimated revenue to be derived from the personal income tax for the year 1950. I was told the estimate was $603 million. Of course government revenues must be devoted to other things as well as old age pensions. The estimate of the amount to be distributed under the family allowance scheme in 1950-51 is from $306 million to $307 million. With respect to the means test, some people suggest that if it were abolished we would get back most of what was paid out in old age pensions in the form of income tax from those who would receive it. Well, I had that suggestion looked into also. I find that of our population of about 13,500,000 some 8,500,000 are twenty years of age or over. Of that number some 2,311,000 are subject to income tax. But in order to pay at a rate that would give back as much as half in income tax, one has to be in the $25,000 bracket. It is only over $25,000 that the income tax amounts to 50 per cent of the income. The number of those with incomes of $25,000 or over in the whole population, out of the 2,311,000 taxpayers, is 5,735, or one-quarter of one per cent of those who are liable to income tax. Of the 670,000 who would be 70 years of age and entitled to old age pensions without a means test, if the distribution were the same, 36 per cent of them would be liable to income tax, that is 241,000. However, less than 1,000 of them would be in the $25,000 bracket and liable to return to the treasury, in income tax, as much as one-half of what they received in the form of old age pensions. I think that clearly demonstrates that the only practical way in which an old age pension scheme without a means test could be provided is through a direct contributory system. It is that goal towards which we are working.

Mr. Knowles: That was not the federal government's offer to the provinces in 1945. Was that offer not made without its involving a contributory system?

Mr. St. Laurent: No, it was not. I think that if the hon. member will refer to the proposition he will find there never was any offer of a pension without a means test and without a contribution. There could not be, because it just would not work. We cannot have that proportion of the income of the nation derived from ordinary taxation devoted to old age pensions. We are all sympathetic to the old age pensioners, but why should I, within the next two years, get a pension of $40 per month and hand back only something of the order of 45 or 50 per cent of it to the treasury? Is that required in the interests of the Canadian nation?

The means test has been called the meanest test. It is unfortunate that there must be some kind of inquiry as to whether or not it is proper that a pension should be paid at the expense of the taxpayer, unless it is a matter of contract under which the one who gets it without a means test has made some contribution. This is an extremely difficult problem to handle. It is no doubt desirable that our aged citizens be provided for reasonably well. But there are other requirements of the national economy that have to be considered. I am convinced that the only way in which a pension, as of right, can be paid to Canadians who reach the age is on a direct contributory system. Then, when we have a direct contributory system, we will get what we pay for, and we will pay for what we get. When suggestions are made that the old age pension be increased by 50 per cent, it will be something for consideration. It will mean, however, that the contributions will also have to be increased by 50 per cent, so we will get what we pay for, and we will have to be prepared to pay for what we are going to get.

Mr. Rowe: That was not what you said before the election.

Mr. St. Laurent: The hon. gentleman says it should have been mentioned before the election. Was he not here when I read the statements that were made?

Mr. Rowe: I was in the country, and I heard you in the country.

Mr. St. Laurent: My hon. friend never heard me say anything else.

Mr. Rowe: But I heard your supporters say it.

Mr. St. Laurent: If my hon. friend heard all my supporters, he must be a ubiquitous gentleman, because there were many supporters all over the country from one ocean to the other. If the hon. gentleman heard that, his ears must be even longer than those of an animal whose name I shall not mention.

Mr. Rowe: The animal you mention would not put it that way. We heard you before the election, do not worry about that. You never made that explanation yourself before the election.

Mr. St. Laurent: I think my friend is hearing more than he likes to hear now. He should perhaps join the club of those who have ears and do not hear. There will be an opportunity for the hon. member to make his speech if he thinks he wants to make one.

Mr. Rowe: I will make one, and I will answer you, too.

Mr. Speaker: Order.

Mr. St. Laurent: I have dealt with two of the extraordinary assertions of this motion to amend the motion for an address. Number 1 said:

> failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers . . . .

There may be some who say we are facing a national emergency which requires extraordinary measures. I do not believe we are. I think that these are localized situations which require special measures, and that the special measures I have indicated will take care of that problem.

The next paragraph states that we failed to take steps to inaugurate a national contributory system of old age pensions without a means test. We are going to have a conference in the fall. In the meantime, we intend to secure all the information that could have a bearing upon conclusions it would be proper to arrive at at that conference.

Number 3 reads as follows:

> deliberately violated a law of this parliament by illegally supressing the report of the commissioner under the Combines Investigation Act on the flour milling industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government . . . .

I am not going to rehash the debate on the report of the commissioner with respect to the milling industry, which we had during the last session of parliament.

An hon. Member: It is true.

Mr. St. Laurent: If hon. members want to hear it discussed, there will be other members on this side who will discuss it.

Mr. Rowe: There is nothing more to say about it.

Mr. St. Laurent: I would appreciate it if, for the next three or four minutes, the hon. member had nothing more to say.

The fourth item concerns the failure to take adequate measures to curb espionage and other harmful activities of communists in Canada. The leader of the opposition said in that connection that the Minister of Justice (Mr. Garson) had made a statement admitting the existence of spying activities, and so forth. There was a report, published by the B.U.P., which was later corrected. I have here exactly what the Minister of Justice said in that respect, and I am going to take the time to read it if I may. It reads:

> In considering our security position now and what it might be in the event of another world war we can reach certain conclusions from what has happened in other countries, and from the attitudes of some of our own citizens and residents in Canada itself. In several countries, espionage, infiltration, sabotage and fomenting of discontent and disaffection, the staging of coups d'état have been used as weapons of war. In our own country we have those who have given repeated demonstration of their unsympathetic and disloyal attitude towards our institutions and our form of government.
>
> Those of us who have some share of responsibility for security take cognizance of these and other facts and have already taken measures to guard against them. But just as those who plot against the security of Canada do not discuss their plans in the forum or from the housetops, so we who prepare counter-measures to frustrate their plot could make few greater mistakes than to specify and advertise what we have done and what we are prepared to do. To follow this course would transform our security measures into their very opposite.

Hon. members will ask themselves whether or not that is a reasonable position to take.

Mr. Macdonnell (Greenwood): Would the Prime Minister permit a question?

Mr. St. Laurent: Certainly.

Mr. Macdonnell (Greenwood): Do I understand the Prime Minister to say that that is what I think he called the retracted statement? Is that the corrected version of what was in the press attributed to the Minister of Justice?

Mr. St. Laurent: That is the statement which was given to the press before the wrong version was put in.

Mr. Rowe: It is too bad that the press is not fair to you.

Mr. St. Laurent: The hon. gentleman is not the only person who we think is sometimes unfair to us. With respect to communist activities, in our understanding measures are other things than mere words, and we think that actions speak louder than words. When action was required, action was taken; and I was obliged to submit to fairly severe criticism from the other side of the house for the action that was taken. I did not regret it then and I do not regret it now. But when action requires to be taken, we think that

we shall have the courage, as we had then, to take it and to carry it to its full implementation.

I should like to close by calling attention to an editorial in the Montreal *Star*, because it is not everybody in Canada who has this gloomy view of what this year 1950 portends because it happens to be a year when the affairs of the country will be under the direction of a Liberal government. The article is entitled, "1950, A Year of Adjustment". This article appeared in the Montreal *Star* of February 17, and it reads as follows:

> The probable pattern of future parliamentary debate can be seen more readily in the pre-session speeches of opposition leaders than in the studiously colorless language of the speech from the throne.

Perhaps it was studiously colorless because we did not think the occasion required any flamboyant language. The article continues:

> It can be predicted therefore that the storm of criticism shortly to descend on the government will concentrate on two points—the rise in urban unemployment and the decline in farm prices.
>
> It is important not to add fear to the factors which contribute to any period of adjustment, for fear can induce declines greater than the basic economic situation calls for.

We know from experience that fear added to the motives which induced the pulp and paper companies to reduce their cut of pulpwood substantially during the last season in spite of the fact that their sales are at higher levels than ever before. The article continues:

> A pendulum swing can be created instead of a minor oscillation. For this reason it may be hoped that the public will keep its head when the oratory starts. We have had rising employment and rising farm income every year now since 1939. The Bank of Canada statistics show that we have safely absorbed our increase in population and that the actual net production of wealth has been steadily going up.
>
> Without minimizing the difficulties that arise from unemployment and lower prices, it is important to remember that things are not going badly with Canada. There is no reason to doubt the fundamentally optimistic statements in the speech from the throne. Judged by any reasonable standard, 1950 should be a pretty good year.
>
> On the other hand, it would be idle to play ostrich and pretend that there are no clouds on the horizon. There are. Canada remains fundamentally a country built upon its export trade. Its farm and industrial capacity both are far greater than any required for domestic needs, and the international trading world is in a sorry state. The first stage of post-war reconstruction has been completed. Production is rising steadily and this means stiffer competition in export markets.
>
> On top of that is the basic difficulty in creating a sound balance of international accounts. The world is being divided into trading blocs, and the Canadian position in it is obviously an uncomfortable one. We buy in one bloc, and we sell in another, and there is no quick solution for this problem. Very slowly certain new trends and patterns of trade are being established but this involves transition, and that kind of change is not easy to effect.
>
> It is, we think, in the light of that basic fact that the government's policy should be judged. We are not likely to see introduced into parliament any fine, new, permanent cure-all of our difficulties. More likely we will see remedial measures of one kind or another, and these should be judged by special standards. On the one hand, do they help us over an immediate hurdle? On the other, do they tend to create a situation which will make eventual solutions more difficult of attainment? If the answer to the first question is, Yes, and the answer to the second question, No, it would be rash to reject them.
>
> The situation is one that calls for moderation in both policy and the criticism of it. The impatient prince in ancient days who complained to his tutors that they were making him work too hard was told that there was no royal road to knowledge. There is no easy, royal road to a stable and prosperous world either. We must work our way along it, step by step.

I think we shall take the proper steps during this session of parliament.

Mr. M. J. Coldwell (Rosetown-Biggar): May I, Mr. Speaker, join with the Leader of the Opposition (Mr. Drew) and the Prime Minister (Mr. St. Laurent) in congratulating the mover and the seconder of the address. I think it is always well and acceptable to the house when two young men, recently come into this chamber, are given the honour of making this motion. It is both a privilege and an honour to be selected for this purpose, and I congratulate them.

With most of the criticisms made by the leader of the opposition this afternoon I find myself in agreement. Last session we had before us the matter of the flour-milling report and it was discussed fairly thoroughly. We raised the matter first because we discovered that the report had not been made public. Consequently I agree with the criticism made by the leader of the opposition this afternoon with regard to that episode. The same thing, of course, applies to the rising unemployment, the loss of markets, the lowering of farm prices and so on. Because of the fact that my time is limited by the rules of the house I propose to deal with only two or three matters this evening. Before I do so, however, I want to comment on the omission from the speech from the throne, which we immediately regretted, of any reference to old age pension legislation. It is true that a resolution to set up a committee of both houses of parliament to review old age pension legislation and to consider the means test has been placed on the order paper by the Minister of National Health and Welfare (Mr. Martin). As the Prime Minister has just indicated quite clearly, this matter has been under discussion in this house for a good many years. In fact, largely owing to the efforts of the first leader of the C.C.F. movement, Mr. J. S. Woodsworth, the first old age pension bill was introduced into this chamber

in 1926. We have taken great interest in the matter ever since and have raised it at practically every session of parliament since we have been here. Hence it seems to me that the proposal to set up another committee to consider the matter of old age pension legislation in all its aspects may be criticized in language used by the former prime minister of Canada, Right Hon. W. L. Mackenzie King, when Right Hon. R. B. Bennett set up a committee some years ago to consider the matter of current price spreads, a matter which was fairly well understood across the country. Mr. King said this as reported at page 190 of *Hansard*, February 2, 1934:

> The motion is in large part one of postponing action. What the country is interested in is not so much further inquiry with respect to matters about which nearly everyone knows a great deal, but legislation, if more is required, to meet a situation that is already understood.

That is a very apt quotation and could be applied to the old age pensions legislation and to the proposed resolution of the Minister of National Health and Welfare (Mr. Martin).

I was amazed just now to hear the Prime Minister (Mr. St. Laurent) contradict the statement made by the leader of the opposition (Mr. Drew) and by the hon. member for Winnipeg North Centre (Mr. Knowles) when he questioned the Prime Minister concerning the proposals that were actually made by the federal government in 1945 to the dominion-provincial conference. One of my colleagues went upstairs and got me the green book containing the official proposals of the government of Canada. What did the government say? At page 37, under the heading "Summary of the federal government proposals", the following appears:

> The federal government's proposals are twofold:
>
> (a) National old age pensions at age 70.
>
> As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged 70 and over in all parts of Canada.

Then the proposal went on to say:

> The cost of national old age pensions by 1948, for example, is estimated at $200 million. (For details see table I below.) There would be a partial recovery from people over 70 paying income tax.

The other proposal was that the age for old age pension should be reduced to 65 but that from 65 to 69 the pension would be shared fifty-fifty between the provinces and the dominion.

There are the proposals.

Mr. St. Laurent: That is not the whole—

Mr. Coldwell: I know of no other proposals placed before the dominion-provincial conference in August, 1945. I believe these were the last proposals. May I say this? From time to time during election periods advertising has appeared put out by the National Liberal Federation which clearly promised old age pensions without a means test. As a matter of fact I have a copy of one of them.

Mr. Cote (Matapedia-Matane): What year?

Mr. Coldwell: The one to which I referred was published in all the metropolitan daily papers of Canada on June 5, 1945. This one says, "Old age pensions, higher pensions, lower age limit, no means test." But the proposals that were placed before the dominion-provincial conference were placed there as I have read them from the official record of the government at the time.

Mr. St. Laurent: If the hon. member is not using the book, would he mind sending it across to me?

Mr. Coldwell: Certainly. This evening I am going to discuss two or three problems which should receive the consideration of the house. I take it that thoughtful Canadians, like thoughtful people everywhere, are worried at the present time about the international situation. Economically, clouds have been gathering on the horizon, but more disturbing still, I think, is the intensification of the so-called cold war and the dangers of it developing into a staggering and devastating conflict, a development which the plain ordinary common people in all places dread and fear.

One phase of the problem of peace is uppermost in many minds, the international control of that mighty power inherent in atomic energy, of atomic bombs and of radioactive material which exists in quantity and indeed in sufficient quantity to wipe out all life over wide regions of this earth. But I doubt whether more than a few people have yet grasped the significance of President Truman's announcement that he had authorized scientists to proceed with the production of the hydrogen bomb. Scientists are endeavouring to tell the world what this really means. Two weeks ago twelve of the leading physicists of the United States issued the warning that the hydrogen bomb is not a weapon of war but an agent of mass destruction. They said this:

> The thermo nuclear reaction on which the H-bomb is based is limited in its power only by the amount of hydrogen which can be carried in the bomb. Even if the power were limited to one thousand times that of the present atomic bomb the step from an A to an H-bomb would be as great as that from an ordinary TNT bomb to an atom bomb. New York, or any other of the greatest cities of the world, could be destroyed by a single hydrogen bomb.

Then they went on to say that, in case we believe we can rely on our security because our side is making it first:

> It is certain that the Russians will be able to make one too.

They added that it was indeed possible that the Russians were engaged at the present time in making such a bomb. Those of us who have had the privilege in this house of knowing something about atomic energy through visiting Chalk River and sitting on the committee that was set up and, I hope, will be re-established, and who followed the developments and the discussions on atomic energy since the first bomb was dropped on Hiroshima, can be under no illusions as to what or who has blocked an effective international control of atomic weapons until now. Putting it baldly, it has been the insistence of the Soviet union on complete national sovereignty and their refusal to agree on more than limited and therefore ineffective control and inspection by an international body under the United Nations. The new developments make the outlawing of atomic weapons more urgent than ever. But any outlawing of these weapons must be accompanied of course by effective control, effective inspection and control such as will remove any possibility of atomic weapons being made secretly in any country in the world. I say that up to the present time all efforts to achieve this desirable end have failed; but I believe that new attempts should be made to secure an agreement now. I say to the Secretary of State for External Affairs (Mr. Pearson) that I believe Canada might take the initiative in this regard. At the same time, if that is done, it should be accompanied by a new crusade for world peace, which I believe can be secured to all mankind only by the abolition of war itself as an instrument of national policy. That was the idea behind the United Nations when it was organized. Now that the Russians at least have the atomic bomb and the monopoly on our side has gone, perhaps there may be greater chances of success in reaching an agreement than there were before; I do not know. But let us hope so. In any event it seems to me we are now faced with two alternatives: One is to despair, to organize our side of the iron curtain and engage in a furious and intolerable armament race; the other is to bend every effort to find an acceptable plan for international control and inspection, and proceed at the same time to remove from the world the age-old causes of war.

In support of the second alternative no less a person than the joint chairman of the United States congressional committee on atomic energy, Senator McMahon, has made a significant and worth-while proposal. He calculated that at the present time the United States is spending $15 billion a year on armaments and war preparedness. He therefore proposed publicly the other day that the United States might begin by offering the world, through the United Nations, two-thirds of that sum for five years—and on two conditions: the first condition was a general acceptance of a satisfactory program for the effective control of atomic energy and, the second, an agreement by all countries, and enforced by inspection, that two-thirds of their present spending upon armaments would be devoted to constructive ends.

This proposal received amazing support, as I think, from members of all parties in the United States. Even an old and unyielding isolationist like Senator John Bricker of Ohio said this:

> If we can get an agreement for air-tight control and true international inspection for $50 billion, I would grab at the chance.

Senator McMahon said that he desired the development of atomic energy everywhere for peace and that he was prepared to give general economic aid and help to all countries which would accept the two conditions he made, and he included Russia. Then he added:

> Such a global Marshall plan might combine with the marvellous power of peacetime energy to generate universal material progress and a universal co-operative spirit.

Such a proposal surely is one which, if we have the opportunity, Canada should support, both from the idealistic standpoint and, to place it on a lower level, for selfish reasons. Because of world impoverishment we face a grave crisis both in agriculture and in labour. It is no good saying that we should not fear. If we do not fear we may not find any solution, and indeed we may find ourselves in the position of the ostrich, with our heads buried and not seeing what is threatened around us.

I have said that this is a crisis in both agriculture and labour. But of course, in reality, the welfare of all Canadians is involved, and the problems faced by farmers and industrial workers are a part of a single problem, not two separate problems.

At present we are told, and told authoritatively, that only one-third of the world's two and a quarter billions of people receive sufficient food. The other two-thirds, as they did before the war, live on a marginal level of existence, a state of semi-starvation. We now have, as never before, the possibility of removing from men this age-old struggle against undeserved poverty, misery and want. That is what the right use of this challenging new power offers as the alternative—to what? —to war and mass destruction. Stealing across the world today, feeding on the misery

of the exploited and the distressed masses, is what?—the promise of improved conditions in exchange for those freedoms of thought, speech and worship which we believe to be essential to the good life.

This explains of course what has happened in China. It may happen elsewhere if the democratic nations fail to take effective steps immediately to feed the hungry, clothe the naked and rescue the exploited. Of course the former policy of giving unconditional aid to corrupt regimes, as in China, has played right into the hands of the communist leaders, and scattered in the Far East seeds of distrust against the west.

I believe we must now try to undo as much of the evil of the immediate and the distant past as we can. I say to the Secretary of State for External Affairs (Mr. Pearson) that I do not think any gain can be had by cutting ourselves completely off from the teeming millions of China and a large part of the Far East. In other words, I think we shall lose, rather than gain, by refusing to recognize that the Chinese have a new, if revolutionary, government. Recognition, as we well know, does not in fact involve the approval of any regime. We have recognized, and properly so, governments of countries whose people assisted in winning the war against the fascist, nazi and Japanese aggressors, as did the Chinese, even when we have disliked or abhorred their political philosophies.

Hence we should make no exception in the case of China. In our opinion the government should grant recognition at an early date. As the Secretary of State for External Affairs is reported to have remarked recently, the centre of world interest is now Asia, and perhaps more explicitly southeast Asia. At the moment Indo-China, Burma, Indonesia and other countries are feeling the impact of a new and threatening conquest. The offensive is largely ideological—in the realm of ideas, which fall on fertile ground because of age-old poverty, suffering and exploitation.

This cannot be met with military might. Soviet communism, fascism, or any other totalitarian threat, cannot be stopped by guns and bombs alone. I am not implying that, with the dangers existing all around us, we should not, until we get proper collective security, take measures to protect ourselves. But surely we should understand by now that communism, like fascism, feeds on poverty, hunger, misery and insecurity. The best and, indeed, the only way eventually to defeat communism or any of these other totalitarian cults is to offer and establish conditions so that people are well fed, healthy, properly clothed and housed and—I add one other—free.

So we say we believe that unless economic assistance is forthcoming, perhaps particularly for the people of southeast Asia, and soon, we shall have lost the cold war in that part of the world. That is why I think a new attempt to stop the armament race and the acceptance of proposals to utilize our common resources for human progress should appeal so strongly to all of us, particularly if we can hope to succeed in bringing such an idea to fruition.

I noted that the Secretary of State for External Affairs (Mr. Pearson) was reported to have said that Canada had already overextended herself in giving economic aid. I am glad he shakes his head, although that is what the press report indicated. If that were said, may I say that we and the United States are the only countries with surpluses of food and raw materials so necessary for the winning of the war against poverty. As long as we have farm surpluses, as long as we have unemployment, we have the means, if we will use them, of making a still greater contribution to the winning of the cold war which is, as I have said, made possible by widespread poverty, misery and want. I am not implying, nor have I implied, that we can do this alone, but we should be pressing and urging on every occasion for the acceptance of an international economic plan or plans for meeting the needs of the undeveloped, war-devastated and impoverished countries of the world.

By international planning I do not mean planning primarily for private gain but international planning for the common good. Such planning, democratic and socialist, is as essential to us as it is to other people. The plight of our own primary producers and of nearly 400,000 workers reported a day or two ago to be unemployed underlines the necessity of our taking a vital and direct interest in the making of such a plan. As I have stated several times, we believe that the proper solution of world economic problems is essential to the solution of the dangerous political problems which face the world at the present time. Even without a comprehensive international plan we should devise ways and means of protecting our own people from depressed farm prices and lack of remunerative employment. After all, settlement in the international sphere will, I readily admit, take time, but our domestic difficulties are immediate and require immediate and maybe short-term solutions.

I think everyone will admit that our Canadian economy is particularly vulnerable because of the manner in which it has evolved. Until recent years we were in the happy position, as the Prime Minister (Mr. St.

Laurent) indicated in his remarks today, of being able to sell our surplus commodities in one area and buy most of the supplies that we needed in another area. Two world wars have changed this picture. That is the basis of what we are apt to call the dollar problem. Some people say that henceforth we must sell more in the United States in order to obtain dollars to pay for imports from that country, and we should do this if we can. Unfortunately the main commodities upon which our farmers and certain other primary producers depend are competitive with the same commodities in the United States. The figures the Prime Minister used this afternoon confirm that it is upon agriculture and other primary products that the majority of our people on the land, in rural towns and villages, in the distributing centres, and indeed in the industrial cities, depend. The lack of markets for these commodities will be reflected in general depression and unemployment everywhere in Canada. Already there is genuine alarm at accumulating surpluses due to shrinking markets for primary products, and of course the rising number of unemployed. The two things are related.

What do we suggest should be done to offset the difficulties that are arising? First, of course, steps must be taken by parliament to maintain and increase domestic consumption by planning for full employment and widely distributed purchasing power. Our best market is still our domestic market. At present we are told we have some 375,000 persons unemployed and seeking work. Yet what is the government offering to relieve this situation? An extension of unemployment insurance is the solution mentioned in the speech from the throne. That is a palliative. I agree it is a necessary one under certain circumstances, but surely in this country it is a confession of failure when there is so much to be done. Tonight we learned what has become of the public works shelf of which we heard so much in 1945, and which was recommended in the white paper dealing with post-war employment plans which I believe was placed before the house in that year. If we are to achieve full employment I say first that this country cannot possibly allow primary products to fall drastically in price. Consequently farm purchasing power will require the establishment of adequate floor prices based on parity with the goods farmers must buy. I submit that is of immediate concern not only to the government, but also to this parliament, and this parliament must grapple with it.

I imagine whatever we do now will be in the nature of expedients to meet a threatening crisis. Expedients are what we have usually adopted throughout the years. In the light of a completely new world situation what we need and must have is a properly planned and comprehensive farm policy for this country, something we have never had. Such a policy should be formulated in conjunction with a national economic plan for the development of all our resources having in view the maintenance of full employment and improved standards of living for Canadians generally. I do not suppose that will be undertaken immediately, since agriculture may be faced with increasing difficulties at once. But at least an outline of a comprehensive plan for agriculture should be formulated. That should be the subject of a conference of representatives of farm organizations, provincial governments and the federal authorities. Therefore we urge that, while taking short-term steps to relieve the situation now, Canada should be formulating a long-term policy for this basic industry. Because the government failed to take effective steps to protect agriculture from the severe dislocation with which it is threatened, or to meet rising unemployment, I had intended to move an amendment in simple terms condemning the government for its failure in these two particulars. The official opposition has moved an amendment; but because some of the phraseology and some of the statements are not altogether acceptable to my colleagues and myself I am going to move an amendment to the amendment, seconded by the hon. member for Vancouver East (Mr. MacInnis), as follows:

> That the amendment be amended by deleting from subparagraph (2) thereof all the words after the word "inaugurate" and substituting instead thereof the words "an over-all social security program including national health insurance and the removal of the means test from the old age pension"; and also by inserting in subparagraph (4) thereof, immediately after the word "measures," the words "to protect civil liberties and at the same time," and also by inserting, in the same subparagraph, immediately after the word "communists," the words "and fascists."

Standing by itself that is rather incomprehensible, so I shall read the amendment as it will appear if the subamendment is adopted:

> We respectfully submit to Your Excellency that Your Excellency's advisers have:
>
> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and
>
> (2) failed to take steps to inaugurate an over-all social security program including national health insurance and the removal of the means test from the old age pension; and
>
> (3) deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act on the flour mill industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government; and

(4) failed to take adequate measures to protect civil liberties and at the same time curb espionage and other harmful activities of communists and fascists in Canada.

Through the years our best market for primary products has been the United Kingdom. They still badly need our foods. They can only buy from us if we make that possible by buying from them. As has been said already by the Prime Minister (Mr. St. Laurent), Canada cannot continue to make gifts to Great Britain. One of the barriers against the exchange of goods to which he referred this afternoon has been the Canadian tariff and other prohibitions and quotas. I hope the recent announcement of the removal of some of these quotas and prohibitions will result in an increase in Britain's supply of Canadian dollars, which will enable her to buy more Canadian goods. But we should give attention to the removal or lowering of tariffs against many classes of goods from the United Kingdom and the sterling area, even if this means temporarily discriminating against the same kind of goods coming from the United States.

Under present conditions we cannot expect to sell Britain two dollars' worth or more of goods and take in return only one dollar's worth from the United Kingdom. She cannot find the funds now, as she once did, to balance the account. Nor can we, under similar circumstances, buy two dollars' worth or more of goods from the United States and sell that country only one dollar's worth. Recent announcements from Washington indicate clearly that with the temporary exception of beef, malting barley, seeds and perhaps some fruits, the agricultural products we wish to market are surplus in that country, and there is no outlet for them there.

There is no doubt that many of the goods we import from the United States could be obtained just as well, and perhaps sometimes even better, from the United Kingdom. I do not mean to imply that there can be a complete or absolute balance between our two countries. It is improbable that this could happen. That being the case some other method must be found of meeting the immediate situation, and I want to deal with that point as briefly as I can.

We are suggesting that instead of demanding payment by the sterling area in dollars, it would help bridge the immediate gap if we accepted more goods and then part payment in sterling. This sterling could be used to buy some of the goods we shall need in future from Britain's ever-increasing production; but what is much more feasible and important, it could also be used for Canadian investment in the sterling area. In that way we would not be giving credit to Britain; we would be establishing an asset somewhere else in the world. The countries of southeast Asia and the underdeveloped areas of Africa, controlled as they are by sterling area countries and particularly by the United Kingdom, are trying to build up and expand their economies. They need machinery of all kinds, and I can see no reason why Canada could not export to Britain foodstuffs and other commodities which we have in surplus supply to feed and house the British workers, who would produce many of the machines needed in the underdeveloped areas. Thus payment to Canada could be made in the form of capital investment in the underdeveloped areas. In this way each country could specialize in the kind of production for which it is best suited, and at the same time help build up the underdeveloped areas of the world.

In this way too we would assist the British people to obtain badly needed food and other supplies and at the same time assure Canadian producers of badly needed markets, at least in the immediate future, for the vast surpluses which otherwise will accumulate and become a burden on our economy. Not only will they be a burden on our economy; inevitably they will lead to drastic curtailment of purchasing power on our farms and unemployment in our cities. A plan of the kind we suggest—and we are suggesting it for the consideration of the government and of this house—would not only be beneficial to the Canadian economy but would secure for us the good will of old and new territories containing millions of potential customers for Canadian commodities.

The proposal we are making does not involve the accumulation of frozen sterling balances which one day Britain or other countries in the sterling area would have to redeem in dollars. If that were so the proposal, as the Prime Minister has said, would be unacceptable to the British. Last fall at the food and agriculture conference their spokesman, Mr. Harold Wilson, stated, according to his official text, that—

—the accumulation of large and growing amounts of inconvertible currency on the assumption that they would one day be made convertible—

was a policy which he could not accept. What we are suggesting is that sterling accepted as part payment for Canadian exports should be used for investment purposes in the sterling area, or in payment of goods to be delivered as production increases in Britain.

The point is often ignored in a discussion of this matter that every responsible economist whose opinions I have been able to read has underlined the importance of the flow of investment funds from North

America to the sterling area and the territories controlled by the major sterling countries.

Mr. Cote (Matapedia-Matane): Would my hon. friend permit a question?

Mr. Coldwell: I would prefer to continue for the time being. Last September the Washington conference stressed the need for both public and private investments from the dollar area to the sterling area. Quite recently, at the meeting of the commonwealth foreign ministers in Ceylon, this phase of our commonwealth relationships I understand was again underlined. Indeed, in the very speech to which I have referred, that of Mr. Harold Wilson last September, the importance of international investment by North America, that is by Canada and the United States, was emphasized, in these words:

> . . . since it is one of the most hopeful and speediest means of increasing the flow of scarce currencies into the rest of the world.

Hence the suggestion we are making in respect to sterling balances being used for investment purposes is strictly in line with these suggestions. Moreover, early this month a Canadian Press dispatch from London quoted a British treasury official to the effect that Britain would be prepared to extend her purchases in Canada if we could consider accepting sterling in payment.

The development of such arrangements of course would require agreement between us; but we are trying to suggest some basis of discussion to enable us to maintain those external economic relationships upon which I firmly believe the welfare and prosperity of our own country depend.

Let me make this clear. This is not a plea for aid to Britain. That must be an incidental consideration to a Canadian primarily interested in the welfare of his own country. I believe, however, that if a solution along these lines could be worked out it would be a measure which would be helpful to the British people and would assure Canadian primary producers of badly needed markets. One of the points I think I should make is that we are not suggesting that the purchase of United States goods should be denied to Canadians. We suggest nothing of the kind. We do suggest that our balance of payments to the United States is, under present world conditions, a burden which is difficult for Canada to bear.

We suggest, too, that there are some Canadian expenditures for United States products and services which could be curtailed without causing much hardship to the Canadian public. Canada's prosperity in the future, as in the past, depends, in our opinion, upon our ability to trade as freely as we can with the rest of the world, and particularly with the sterling area including our best customer, the United Kingdom.

In so many respects our economy is competitive with that of the United States. In the same respects, it is complementary to that of the United Kingdom, and indeed of other countries in the sterling area. Apart altogether from sentiment, apart from the desirability of maintaining our commonwealth associations—and that is desirable—our material and economic interests lie in maintaining and expanding our economic relationships with the United Kingdom. To assure the maintenance, and indeed the expansion, of this vital economic relationship must be, I believe, a primary purpose of Canadian public policy.

I have therefore outlined at some length suggestions which we believe to be worthy of consideration and discussion. In conclusion, I should like to say this. Only by examining every possible channel can this country's producers, and the people dependent upon them, be protected from grave hardships, and of course that means practically all our people, because we are all dependent, more or less, on the prosperity of our primary producers.

How simple it would be if nations could exchange goods freely, and settle their balances in a universally accepted currency under an international economic plan. Of course, one realizes that that plan would involve the exchange of goods, which alone make any currency acceptable at any time. How simple it would be if we could pay our debts to the United States in pounds sterling. But since the United States demands dollars, and her own dollars, instead of goods or sterling from Canada, the United Kingdom, and indeed all countries, we must devise other ways and means of maintaining farm prosperity and full employment.

These are two problems that are really one problem and one which, obscured by the war and post-war demands, including Marshall aid, is again casting its shadow across this country from one ocean to the other. So, Mr. Speaker, I hope that during this session we shall give every attention to the wider international matters, both economic and political, that we shall try to solve the problems that face our own farmers and workers in the form of depressed prices and unemployment, and that we shall find policies that will assist this country to go forward, prosperous and free.

Mr. Cote (Matapedia-Matane): May I now ask my question? After listening to my hon. friend, and on the eve of a general election in England, may I ask my hon. friend whether he would be in favour of something he has not mentioned as yet: that is, everything being

equal in England and this country, would he suggest that the shares of the Canadian Pacific—

Mr. Ferguson: How about the crown jewels? They don't need them.

Mr. Cote (Matapedia-Matane): Just let me finish. Would the hon. member be in favour of repatriating the shares of the Canadian Pacific?

Mr. Coldwell: I think the answer to that question can be found in a speech I made some years ago, and which appears in *Hansard*. I advocated bringing back all Canadian securities to Canada in payment of loans that were made some years ago. In the interim, however, I believe that many of the Canadian Pacific securities have found their way into the United States, and are not now available to us.

Mr. Solon E. Low (Peace River): Mr. Speaker, before entering upon a discussion of His Excellency's speech, there are three pleasant tasks that I should like to perform. I wish first to offer my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address, upon their tempered and very eloquent addresses. Second, it is my desire to congratulate the Prime Minister (Mr. St. Laurent) upon what I thought was a most skilful and creditable job in presiding over the recent dominion-provincial conference, which I had the privilege of attending as an onlooker. In my judgment, the success of that conference was, to a very great measure, due to the way in which the Prime Minister handled the chairmanship, and steered the provincial delegations along their course with finesse and quite obvious sincerity. Let us hope, then, that the work so well begun by that conference can be carried to an early and successful conclusion.

Third, may I tender my congratulations to the hon. member for Grey-Bruce (Mr. Harris) upon his appointment to an important post in the government. Mr. Harris was a popular choice for the new Department of Immigration and Citizenship. If he gets the support that he should get from his cabinet colleagues, I feel quite confident that this long-neglected orphan department will receive the type of leadership it has deserved for many years. Immigration has long been kicked around, and has been left without anything that could remotely resemble a policy. The people of this country from coast to coast are now expecting something different, something in the way of an announcement of a definite design that will make it possible for the officials of that department to know what to do with the thousands of cases that have had to remain suspended for lack of specific direction from the government.

Now, Mr. Speaker, from a study of His Excellency's speech one receives the impression that the government thinks it has made quite elaborate provision for Canada's security. A close examination of the terms of the speech reveals that considerable emphasis has been placed on our external security, our relationship with the other countries of the world. But there are plain indications of serious neglect of many of those things which do constitute our internal security.

I cannot deal with all of them tonight in the limited time at my disposal, but I do intend to deal with three or four examples of that lack of consideration. In the course of the last session in the fall of 1949, there was such universal recognition of the need for federal aid to education, and indeed such widespread demand for it that the people of Canada felt justified in expecting that something would be done about it this year, that some provision would be made. In my estimation such a thing would be important enough to warrant mention in the speech from the throne. I can, however, find no reference whatever to it there; and I feel let down as I am sure a good many thousands of other Canadians will feel let down because they have found in the speech from the throne no reference to federal aid for education.

Nothing can contribute more to the internal security of our country than a broad understanding on the part of its citizens. If a democracy is to work properly and yield the results which the people want from the management of their affairs, there must be a high general level of educational achievement amongst the people. In a country as large as Canada, with such widely varying resources and productive possibilities, there are bound to be areas of much lower incomes than others. One can find almost every degree of prosperity amongst our provinces and municipalities. As a result, and also because we have got into the habit of raising the bulk of educational costs from taxes on real property, there is a wide divergence of educational opportunity for Canadian girls and boys. Enough facts and figures were put on *Hansard* in the 1949 fall session to convince anybody that this is so. For that reason I do not require at this time to repeat what was impressed upon us in that respect during the last session. As Canadians our aim should be equality of educational opportunities for all our people. Boys and girls who live in rural areas should not have less opportunity to develop, grow and mature than have their fellows in the cities and towns. The residents

of those districts where production is usually low and incomes therefore small should not have lesser opportunities to become good and useful citizens because of lack of education and training. We must realize the need for some equalization of opportunities. We must also recognize the danger of continuing to take seventy per cent or more of the cost of education out of taxes imposed upon the farms and homes of the people.

We cannot possibly achieve equality of educational opportunity across Canada without definite and substantial federal aid. I could talk for some time about the teacher situation and the need for higher salaries to attract and hold the best teaching material. I could talk at length about the need for higher qualifications on the part of teachers and for better equipment in the schools; but of course the government would probably accuse me of advocating the spending of moneys from the federal treasury while at the same time seeking tax reductions. With the high cost of defence during these uncertain and fearful times, with fixed government costs running at the highest level in our whole history, I know that the government is going to find it exceedingly difficult to balance its budget. But I charge that the government has failed to do anything like what it is perfectly possible to do, or to use its imagination. Otherwise it would easily have seen that aids to education could have been provided this year without in any way impairing the financial or economic soundness of our country.

One of the most pressing educational needs of this day is for proper school plants and capital equipment. There are, unfortunately, still many hundreds of school districts and divisions in Canada that are forced to carry on with obsolete and rundown buildings and equipment utterly unfit to be used for the purpose of education. There was a time when school district debentures were considered to be a good investment and they were rated amongst trustee securities, but in a great many areas in Canada they are no longer considered to be trustee securities. Most of the school districts therefore must finance building and capital equipment out of current revenue. This situation puts a severe strain on the taxpayers as well as a short limit on the salaries that can be paid and the educational services that can be given. As a result, education languishes in many parts of our country. The sad part of it is that it does not need to languish. We have in Canada plenty of building materials and a sufficient amount of labour to do the building. If the federal government would give some help to the provinces to meet the terrific need for new buildings they would be rendering a real service to general education in this country.

I suggest there are several practical ways by which this aid can be advanced without having to dip into the treasury. The first one is this. In the late thirties an act called the Municipal Improvements Assistance Act was passed through this house. It provided for loans to municipalities and school divisions for self-liquidating projects, at a low rate of interest, namely two per cent, and covering up to twenty years in time. The loans were guaranteed successively by the municipalities, the provincial authorities and the federal government. To my knowledge and in my experience this act worked well until loans under it were suspended as the war situation became more intense. I suggest that the act be taken out of the mothballs, and that the federal government make some contribution to the welfare of education in the provinces by resuming the loans for self-liquidating projects under that act. Certainly school plants and improvements could be classed as self-liquidating projects to qualify for such loans.

Another way by which aid could be advanced is this. In certain provinces, notably Saskatchewan and Alberta, it would be possible for the federal government to give substantial aid to the cause of education by agreeing to release all or substantial portions of the school lands trust moneys for the purpose of setting up a capital loan fund from which school districts could borrow at low rates of interest in order to provide new school accommodations that are so urgently needed in those two provinces. The Alberta fund, which is administered under this government, now amounts to more than $12 million. It is invested in dominion securities, the income from which is supposed to be paid over to the province for educational purposes. Since the cost of education has grown to such large proportions, I can see no logical reason why the provinces and the dominion should not revise the school lands trust fund agreements so as to make available the substantial moneys as a revolving loan fund for capital purposes in the field of education. I urge the federal government to give sympathetic consideration to this proposal and even to go so far as to find out if the provincial governments that are concerned, notably Saskatchewan and Alberta, would be ready to revise those agreements.

There is a third way by which federal aid could be extended to education. Many school divisional and district boards, especially in rural areas, are making commendable efforts

to provide better educational facilities through setting up centralized schools. It becomes necessary for them to buy vans and school busses to convey the pupils to those centralized schools. Such purchases are increasing in number year by year, but the federal government continues to impose sales and excise taxes on these vehicles; this action puts a heavy penalty on the educational facilities that are to be provided. Here then, I say, is a place where the government can do something for education; and I urge that at this session there be brought in an amendment to the various excise and taxation acts providing that the purchase of busses and vans by school boards be made tax free. Surely, Mr. Speaker, if we are not prepared to make grants in aid for education, we can at least get off the backs of the school districts; and here is a good chance to do it.

There is a fourth way of course. This one would involve some moneys out of the treasury. The best way to help the provinces to carry their educational burdens would be by grants-in-aid on a weighted basis to favour the poorer localities. Surely, a country as wealthy as ours should not find it too difficult to provide some money for this purpose. No argument to the contrary can possibly be valid as long as Canadians spend hundreds of millions of dollars on intoxicating liquors and other things with which we are trying to destroy ourselves.

The Social Credit Association of Canada declares that no financial consideration should be allowed to stand between any worthy Canadian boy or girl and the utmost in educational attainment he wants and is prepared to achieve and is capable of achieving.

Closely related to this whole business of federal aid to education is the problem of public relations. During the past two years this government has made a wretched failure of its part in the democratic process. I agree with what the leader of the opposition (Mr. Drew) said this afternoon in this respect. The government has failed to keep the electors informed about the facts of the situations that have developed. Somehow or other the ministers of the crown have come to feel that there is no obligation on their part to keep the electors informed about the real facts of trade, agriculture, unemployment, and the many other things that do develop from time to time. These things affect the lives of the people most materially. A good many people now feel that the government has not only failed to keep them informed about things they are entitled to know but that various ministers at various times have actually misled them and tried to lull them into a sense of false security.

All during the general election of last June and during the fall session of 1949 government spokesmen contended that all was well with Canadian trade and agriculture. The fact is that we faced at these very times a serious trade crisis which kicked back on our farmers as well as on some of our manufacturing industries, so that they too now face a serious crisis. We only have to recall the press reports for the months of December and January last to know how Canadian farmers feel. In many of their forums and conventions they were actually advocating production strikes in protest against conditions imposed upon them as a result of this government's bungling and vacillating policies. Thousands of farmers feel that the government is now trying to crawl out from under their responsibilities. During the period from 1942 to 1948 the Liberal government imposed certain policies upon our farmers under which the latter had to accept much less for their products than they would have received if those policies had not been imposed upon them. The Minister of Agriculture (Mr. Gardiner) has said so himself. The farmers did not complain because they were given to understand that these policies were part of a long-range stabilization program. Now the farmers are beginning to realize that Liberal talk and promise were unadulterated anaesthesia. There is general restlessness amongst them because they cannot now see any possibility of realizing the stabilized prices the government promised them. It will certainly be a serious breach of faith if this government of Canada does not keep its promise to provide stabilization for agriculture.

I wish to repeat, there is restlessness amongst Canadian farmers and many of our smaller manufacturers. Why is it?

This government has complicated and further confused Canada's already serious trade and agricultural problems, and has put us in that position where the possibility of depression stares us in the face, by refusing to face up to realities and to take independent action based upon the facts of the situation. Let me repeat that—by their refusal to take independent action based upon the realities of the situation. How can this fail to affect our security? As an example, the government has steadfastly refused to accept non-convertible sterling in payment for those foods and other things which Britain did not have the dollars to buy. I quite agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) that right from the beginning we should have attempted to preserve our traditional markets in Britain and in Europe by accepting sterling for these balances for which the British and other markets in Europe could not find dollars.

Canada could have used blocked sterling to shop around the sterling area for goods we need and can use. This is not to say that we should neglect the full development of the United States market or, for that matter, any other possible market for Canadian goods. But the fact remains that we have lost a substantial part of our traditional British and European markets which we could very well have kept, and it is going to be most difficult to get it back.

Some critics of this proposal say that Britain is not willing to buy Canadian goods with non-convertible sterling. Recently food minister Strachey made it quite clear that he was ready to buy more Canadian and United States produce if we would buy more from the sterling area. In his recent interview with *Reynolds News* Mr. Strachey's statements indicate quite clearly that Britain would be glad to buy more Canadian foods and other things if we would accept the only form of currency they have got, namely, non-convertible sterling, which could be exchanged for goods at any time in the future.

The Minister of Agriculture and his colleagues have not given support to the proposal for an international commodity clearing house for disposing of surpluses which could not be sold for convertible currency in world markets. As a matter of fact the minister has discouraged it. Here is one international organization which really offers some good and effective results. But whereas, since the war ended, the Canadian government has blindly plunged into all other proposed international organizations, some of which have proved to be merely interesting pastimes, they now say through some of their ministers, notably the Minister of Agriculture, "This problem of marketing surpluses is one which can be best taken care of by each country by itself." If that is the case why have not they been doing it? The international federation of agricultural producers' committee, which met last autumn to consider the international commodity clearing house proposals, reported in October in these words:

> The problem of surpluses can be tackled by operations that bring together marginal supplies and marginal needs, and normal trade can continue unimpeded and even strengthened by such operations.

The committee then proposed the international commodity clearing house which provides a world pool of surpluses from which the countries of the world can make purchases using their own currencies. This is along the line of the international pool of such surpluses that we Social Crediters have been advocating for several years.

It is true that the food and agriculture organization committee, at its meeting held in Washington in November and December last, temporarily turned down the international commodity clearing house proposal. But it is noteworthy that the conference was guided to its decision by the financial advisers of the international monetary fund and the international bank for reconstruction who were present. These world financial organizations thus indicated their determination to prevent the distribution of commodity surpluses on a mutually satisfactory basis of exchange of goods for goods, or of goods for non-convertible currency, which amounts to the same thing. Evidently they insist on forcing all exchanges of goods to continue on a basis of convertible currency through financial channels which they themselves control. Everybody knows that the Bretton Woods proposal for a convertible currency pool of the world is a fool's dream of paradise under present circumstances, and will continue to be until such time as the great creditor nations like the United States and Canada are prepared to buy, in the markets of the world, goods in dollar volume equal to the goods they sell to the world. Of course Canada has become a comfort to their plans, the plans of these internationalists to control the exchanges of the world, by her failure to give support to the international commodity clearing house proposal.

I will say this, that until such time as some such idea as the ICCH—the international commodity clearing house—is adopted, Canada will find plenty of difficulty in disposing of unsalable surplus foods and other things which are now beginning to appear. It will be a sad reflection upon the intelligence of responsible officials of government if we ever begin the wholesale destruction of food products, or the restriction of their production, so long as there are on the earth people who need those things to keep them living in a state of health and happiness.

Dr. Kenneth Galbraith, professor of economics at Harvard university, and guest speaker at a recent conference of the Canadian Federation of Agriculture at Niagara Falls, stated he doubted if Canada and the United States will be able to expand, to any great degree, the flow of agricultural products abroad, because most European nations are striving hard toward self-sufficiency. Already they have made great strides in that direction.

Professor Galbraith declared that Canada and the United States must take a large share of the blame for that situation, and for two reasons: First, we priced ourselves out of the European market, and, secondly, we failed to provide the machinery by which Europe might be able to buy our products. Professor Galbraith further stated at Niagara Falls that, before we are justified in asking

Europe to put an end to their policy of self-sufficiency, Canada and the United States must do a number of things among which are these. First, we must assure Europe of the means by which she will be able to buy our goods after Marshall aid ends in 1952. If convertible sterling is not available, then we will have to accept non-convertible sterling.

Then, secondly, we must remove and reduce certain tariff barriers. At the present time agriculture in Canada is taking the rap for what the secondary industries have done. Secondary industries have maintained excessively high prices which, in turn, increased farm costs. Our government must share the blame for the fact that these barriers have been allowed to exist and to continue. The government must know that the inevitable consequence would be that we would price our farm products completely out of the European markets.

The third point made by Professor Galbraith is that some program to expand the internal consumption of farm products must be adopted both here and in the United States. We contend—and I am speaking of the Social Credit Association of Canada—that the best program for bringing about this expansion would be one based upon the social credit compensated price-discount mechanism. This would be especially valuable and effective when applied to those surplus products where just a slight increase in per capita consumption would cause the surplus to disappear entirely. Let me give an example: If each Canadian were to consume just one more egg per week than he or she is now consuming, they would use up an additional 60 million dozen eggs this year, and the poultry producers would not have to worry about surplus eggs. But the Canadian people have to be able to buy those additional eggs if such a happy condition is to be made possible. Our proposal assures them the purchasing power.

The social credit compensated price-discount mechanism will do more to extend the internal consumption of farm products than any other mechanism now known, and it is worthy, I suggest, of the closest study in connection with the problem posed by Professor Galbraith.

The fourth suggestion made by Professor Galbraith, along with the three I have already mentioned, is this one, that for the present at least some form of two-price system will have to be adopted by which Europe can be allowed to buy our goods at a lower price than the existing internal price level, and this notwithstanding Geneva.

The implications are clear. We will have to adopt some system of seeing to it that our farmers have an internal price based upon parity with the cost of goods they have to buy; and secondly, we will have to see to it that exporters are compensated for any loss they may take by selling their goods or farm products, particularly in European markets, at a lower price than they can be sold internally.

I wonder if this government has independence and imagination enough to take the action required to meet the situation? The speech from the throne does say that the Agricultural Prices Support Act will be brought before the House of Commons for amendment, so that it can be continued. There is no indication, however, whether it is the intention of the government to make the act permanent; nor can we take much comfort from the declaration in His Excellency's address until we see what kind of bill it is going to be.

We fervently hope it will not be a mutilated shadow of a thing, another attempt at window-dressing. Canadian agriculture must be kept prosperous. If that is assured, then all other elements of Canadian life can be kept prosperous.

For a moment I should like to turn to the consideration of a fourth matter of great importance to Canada's future internal security. I have in mind the prospects for continuing high employment and prosperity. The speech from the throne says this:

> Employment and prosperity remain at a high level in Canada. The prospects are good for continued private investment in construction and capital development throughout the present year.

Then follow some statements about unemployment and unemployment insurance which not only cast some doubt on the optimism expressed in the part I quoted, but also serve to mislead the people. Actually, and just to review what has already been said for the purpose of what I wish to say in this connection, as of February 2 it is indicated that ten and four-tenths per cent of the total number of Canadian wage earners were out of work. The consequent strain upon the unemployment insurance fund is very heavy. I wish to emphasize however that the more serious aspect of the situation is the feeling of restlessness spreading among the people who cannot help remembering the sequence of events which led up to the hungry thirties.

They see in the present combined situation too close a parallel to feel anything but grave concern about the future. I remember well that in 1929 very optimistic declarations were being made about the future, exactly as they were made today by the Prime Minister (Mr.

St. Laurent). Let me say here a word about the Prime Minister's speech delivered this afternoon. First let me compliment him, especially upon that part of his speech in which he dealt with the state of the nation. I compliment him particularly for demonstrating that he can face facts—for he was doing it pretty well this afternoon. I think his forecast for 1950 was most reassuring, especially when he mentioned, as I believe he did, that the anticipated investment in new developments for 1950 was estimated at 22 per cent of the gross national production—a figure which is much higher than that of last year.

This is remarkable, and we fervently hope that it comes to pass exactly as anticipated. But let me point out that the investments he mentioned will be made only if there is confidence that the production resulting from them can be sold. I would point out to the Prime Minister that a very large part of the $16 billion of gross production is still financed through production loans obtained from the chartered banks by acceptable borrowers. Moreover, the proceeds of these loans filter through long chains of transactions, to become the purchasing power with which consumers must buy the food, clothing and shelter they require. If anything should interfere with this flow of consumer purchasing power as, for example, curtailment of production loans by the chartered banks, and perhaps calling in old demand loans for repayment, then very quickly the whole outlook as presented to us this afternoon by the Prime Minister (Mr. St. Laurent) could be changed. Such a thing could happen again as happened in the years 1930 to 1933. During that period the chartered banks withdrew and cancelled out of existence $932 million of purchasing power in the manner I have indicated. We all know of the disastrous results in those years and the years following. That power still rests with the chartered banks, and I see nothing to prevent the shrinkage of substantial portions of consumer purchasing power if the banks should again begin to feel that their usual customer borrowers could not repay their loans within the usual short-loan term. Thousands more people now know that fact than ever did before. Therefore, as markets abroad are lost, as primary production prices begin to skid, and as even as little as 10·4 per cent of Canada's labour force begins to find itself unemployed, it is only natural that considerable restlessness would be evident amongst people who have experienced a few of the difficult periods of the past.

There is a way by which the government can reassure the people and thus keep up the confidence on which the prosperity of the future must be based. It will not help to tell the people of Canada that we will continue sending more goods abroad than we bring back in trade. The use of a foreign investment program to balance trade is no long-term solution. I disagree strongly with my hon. friend from Rosetown-Biggar (Mr. Coldwell) when he advocates that such a course be taken. It is a palliative for the immediate years ahead. It may be used successfully for a short time in an effort to give help to certain countries of Europe and southeastern Asia that require our help, but it is no long-term solution. We would be opposed to its introduction as a long-term solution. All we have to do is to look at the situation in the United States today to be frightened away from it. That is what the United States of America has been doing for a good many years, and that is why they find it impossible today, because of the flow of interest from these investments, to buy as much from the other countries of the world—and therefore balance their payments with the rest of the world—as they export in goods and services to them.

The use of a foreign investment program therefore does not offer any long-term solution, but what would be really effective would be a positive declaration by the government that they will revise the laws and practices governing financial policy so as to definitely assure the people that never again will they allow wanted goods and services to be destroyed or remain unproduced or unsold from lack of effective purchasing power in the hands of Canadian consumers. When that positive kind of assurance is given to the Canadian people, there will inspire them a confidence in the future that will make Canada the greatest and happiest country in the world.

I read with some interest just the other day an editorial on the front page of the *Financial Post* for February 18 under the caption, "Let's not be panicked by the gloomsters." I presume that was what the leader of the opposition (Mr. Drew) was referring to this afternoon, and I commend him for the strong terms that he used. I will use some a little stronger. There was some pretty good sense in the editorial, but there was also some stupid nonsense such as this sentence, for example:

> The socialists and the little clutch of Social Crediters are, of course, intent upon destroying the economic system.

I cannot speak for the socialists—they will speak for themselves—but I can for the little clutch of Social Crediters, as these apologists and pundits of high finance call us. There is an old trick which the guilty have used since time began. When their nefarious practices

are about to be exposed they resort to accusations against others to try to divert attention from themselves. I wonder who it is who is intent upon destroying the economic system? Who is it that has caused society to suffer through twenty-three depressions in the past 160 years?

Mr. MacInnis: The operators of the system.

Mr. Low: Surely they cannot blame the little clutch of Social Crediters for we have only been in existence as an organization for the past fifteen years. These same false accusers used to try to make people believe such foolish things as this, that the business cycles of boom and bust were somehow linked with the seven-year cycles of return of sun spots. I think a good many of you remember that was taught.

Mr. MacInnis: A good many still believe it.

Mr. Low: Yes, that is the unfortunate part of it. For many years these same people have carefully hidden the facts from the general run of the citizens of the country. We now know that depressions arise as the result of deliberate policies conceived and imposed upon governments by these same Shylocks who are the sole beneficiaries of the system, and who are after their pound of flesh, no matter how many people suffer in the process. Certain it is that the *Financial Post*, their subservients and associates, and their predecessors, have already destroyed the economic system by their insistence upon retaining as a part of it those stupid and unrealistic practices that ensure that every seven years we have to throw men out of work under a deliberate policy of unemployment, destroy huge quantities of our precious production, bring on a first-class depression, force countless thousands of our people to live in poverty in the midst of abundance; and finally bring on a war and start the whole cycle over again. I say, let them show their good faith by bringing forward some effective proposals to cure our economic ills. When they do they may have some room to talk.

What Social Crediters are trying to do is to remove the abuses of the so-called free enterprise system so that it can be given a chance to demonstrate its superiority over any other system in the world, and it can. Just get these old men-of-the-sea off its back, and one of them is the *Financial Post*. Social Credit thinks of full enjoyment. We do not lay the stress on full employment, but we do declare that not one single willing worker should be idle if he wants to work. We claim that as long as there is demand for them anywhere in the world, no goods possible of production should go unproduced. If we ever come to the point where overproduction really threatens, then cut down the hours of work and see to it that there is a fair distribution of the leisure time possible, without reducing the take-home pay of the workers. There never has been a sound proposal, except from Social Crediters, whereby these things can be accomplished in our Canadian economy.

We are not "gloomsters". No one has more faith than Social Crediters in the future of our great country, and in its ability to yield abundance and happiness to its people. No one works harder than we do to preserve the good things in our private enterprise economic system. There will be no question in our minds about a brilliant and secure future for Canada and the world if the government of this country will assert its independence of the control of the people who subscribe to some of the policies held dear by the *Financial Post*.

Kick them body and breeches out of the driver's seat; make a few fundamental changes in financial policy; take a sensible attitude towards trade and the other factors of internal security I have mentioned; let the government settle down to do what it was originally designed to do, that is, make its most important task the removal of all those barriers and artificial restrictions which prevent individual Canadians from achieving by their own efforts security for themselves and their families. Do these things and the private enterprise economic system will successfully weather the stresses and strains of the days and events that are to come.

I hope I have thrown out some suggestions, Mr. Speaker, and made some sort of positive contribution to this debate. If I have, and if those things are seriously considered, I certainly will not feel that my time has been wasted.

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, it is a real pleasure for one representing my constituency to take part in this debate on the address, because to all intents and purposes the adoption of the address is a vote of confidence in this government. This is the first time I have participated in a debate of this nature, and I find it not only a pleasure but also a natural duty to support anything in the nature of a vote of confidence in this government. Having just returned from my constituency there is one thing of which I am very certain; that is, that this government has the confidence of the country.

I returned from the west prouder than ever of Canada and of Canada's government. I found that our leader, the right hon. Prime Minister (Mr. St. Laurent) has captured the respect, the esteem, the affection and the confidence of at least my part of British Columbia to an extent I think never before equalled by any other prime minister. I

hope in some small way to contribute to a continuation of that confidence, but I remind the government that such a continuation will depend to a large extent on their continuing to deal with the many local problems of the Skeena district, as well as the problems of the country as a whole, in an intelligent, sympathetic and encouraging manner. As far as our local problems are concerned, I propose to assist the government in dealing with them in that way; and further, as best I may, to insist upon their being dealt with as I know they deserve to be.

Before proceeding further may I offer my humble congratulations to the mover and seconder of the resolution we are now debating. Their constituents will read with real pride the many favourable comments their speeches have evoked. While I may be laying myself open to the charge of painting the lily, I should like also to thank and commend the right hon. Prime Minister on the fair, full, frank and comprehensive review he gave us this afternoon and evening.

Now, Mr. Speaker, without apology or hesitation I propose to take advantage of the time-honoured custom of using this debate as an opportunity to tell this house a little about the district I am trying to represent. The Skeena district of British Columbia is an empire in itself. I am not going to compare its size with that of some provinces or countries, but if I were to do so the comparison might be surprising. Skeena extends over nine degrees of latitude, from 51 north to 60 north. At a rough estimate it covers about 164,000 square miles, and I believe is the second largest dominion electoral district. Incidentally, this would not be such a difficult district for its member to cover if he could go so far and say, "From here on there are no residents, so I need go no further". It just happens that there are settlements in the remotest corners of the district; Lower Post in the extreme northeast, Bennett on the White Pass and Yukon railway on the extreme northwest; Allison Harbour on the very southern tip, the Queen Charlotte islands on the west and Endako on the eastern border.

That is not only a very large district; it is one of increasing importance to the country. Ours is one of the finest mineral areas in Canada, still barely scratched yet, with a marvellous record of production to our credit. We have one of Canada's major fishing industries which has contributed greatly to the world's food supply for many years. Our timber resources are extensive; not only do we supply many parts of the world with lumber and poles, we are also the source of supply for at least two of Canada's major paper mills. Agriculture in Skeena is a small industry compared with some other parts of Canada, yet it is still an important factor in our economic life. We are now becoming the scene of industrial activity. Many hon. members know of the hydroelectric potentialities of the Skeena district which at this moment are of real interest to some of the world's leading industries.

It is lack of time, not of material, that causes me to end the list there. In my constituency is the famous little gold mining town of Atlin, and the lake and district of the same name. Early in 1898 Fritz Miller, a German, and Kenneth McLaren, a Canadian, left the Klondyke trail at Bennett and travelled on the ice across Taku Arm and Atlin lake. I am much more interested in the present and future—the immediate future—of this district than in its past, but there is always a certain amount of interest in the origin and discovery of new districts. The discovery of gold in the Atlin country by Miller and McLaren resulted in an influx of between five and ten thousand miners and tenderfeet; and from that day to this gold seeking and gold recovering in that district have never entirely ceased. Even today Transcontinental Resources and others are operating on a large scale. Atlin has a great deal of production ahead of it yet. Atlin is also a beauty spot; a district not unlike the Kootenays, with a series of lakes running north and south, it provides a spot of scenic beauty unexcelled anywhere in the world. Even the hon. member for Kootenay West (Mr. Herridge) would admit that were he to visit Atlin.

This government is to be highly commended for the part it played, together with the provincial government, in building a road from the Alcan highway into Atlin last year. Atlin will become a mecca for the wise angler and big game hunter. I sincerely hope the time is very near when the government will see fit to reopen the customs port of entry for aeroplanes there. The lake is the largest and most beautiful in British Columbia. Given the publicity and the transportation it deserves, the Atlin area may well become the most important tourist and recreation centre in western Canada.

Among the many outstanding attractions of the Skeena district is its large number of lakes, large and small. The names of some of them may be familiar to some hon. members: Babine, Takla, Francois, Ootsa and literally hundreds of others. These lakes lie mainly due north from Tweedsmuir park, and centre on one of the grandest fishing and hunting districts imaginable, covering thousands of square miles. As might be expected

of an extensive area still sufficiently virgin to provide so much game, the district numbers among its population many North American Indians.

That brings me to a subject which really justifies a full forty-minute speech in itself —in fact, I might make one. In the meantime, I should like to say a word about our Indian population. These people are people, Mr. Speaker, just as you and I. They are citizens of Canada. They are not only worthy of the interest and concern of this house, they are the responsibility of this house. It is a responsibility we must face up to. To what extent they are today inferior citizens, to that extent I am afraid we are largely to blame. Some betterments must, of course, take time; others can be speedily made. For instance, we have in many places native Indian villages which are headquarters for quite large bands. Some of these villages are remote and fairly expensive to reach. Nevertheless, I submit we should see that they are supplied with the same facilities with which we would supply white settlements of perhaps smaller population.

In this connection, the Post Office Department could be of tremendous help. Here, I should like to express my gratitude for and appreciation of the recently opened post office at Fort Babine, which will prove a real boon to many. But such other villages as Kitkatla and Kispiox and Kitimaat and so on, also justify such service. This is one very small way in which we can assist our Indian citizens to become a more integral part of Canada. I hope that the department and the house will continue to see that the advantages of better and improved services are given to the Indian villages.

I have a resolution from the northern district native brotherhood of British Columbia urging, among other things, the immediate consideration of the revision of the Indian Act. I note with pleasure, as they will, that this matter is to come before us at this session. I trust that it will come before us early, so we may give it ample study.

There is only one incorporated city in my whole district and that is the city of Prince Rupert. Built as the terminus, not a terminus but the terminus of the Grand Trunk Pacific, Prince Rupert, through a combination of circumstances entirely beyond local control, has lived through thirty years of depression, disappointment and frustration, to emerge in the recent war as one of British Columbia's most important cities. Originally visioned as a port for transpacific shipping, Prince Rupert now finds itself achieving its destiny along other lines. It has always had a large fishing industry. It is the halibut capital of the world. More halibut is landed at Prince Rupert than anywhere else on the globe. I hope that fishing will always continue to be a major factor in Prince Rupert's economy. Fishing deserves, as it is getting under the present Minister of Fisheries (Mr. Mayhew), the attention and consideration which is due a major industry. My hon. friends from Newfoundland will agree with that.

Two large organizations, I regret to admit that neither of them was originally Canadian, have now realized and acted upon the strategic value of Prince Rupert's location. First, the United States government in the recent war chose Prince Rupert as one of its chief Pacific ports. That activity, of course, is over now. Second, the Celanese Corporation of America, through its Canadian subsidiary, Columbia Cellulose Limited, saw the true picture of a combination of Prince Rupert's location and the resources of the district. They have under construction an immense pulp plant which will provide payrolls and industrial activity in perpetuity.

Prince Rupert, by geography, is the logical supply port for Alaska. I sincerely trust that this government will continue to work along all possible lines to ease all restrictions on international trade, and thus encourage our American friends to do likewise. In this way, Prince Rupert and other Canadian ports may take their logical place in the Alaskan trade. Nothing can stop Prince Rupert's forward march, but governmental help can easily speed it up.

There is just one other section of my district which I wish to mention specifically, the Portland canal-Alice Arm district. This is one of the best known mineral producing areas in British Columbia. The old Granby Consolidated copper mine at Anyox produced a gross value of close to $96 million. The famous Premier mine at Premier near Stewart, British Columbia, has to date a gross production value of $75 million. At Alice Arm, Torbit Silver Mines are today in regular production of silver which, incidentally, is all going to the photographic industry in the United States, thus materially helping our dollar situation. The little mining town of Stewart, a most picturesque spot, situated at the head of the Portland canal right on the Alaskan border, is the centre of a mineralized area whose potentialities I predict will still not be fully known one hundred years from now.

I was up there the other day, and I saw some of the electrum they are now shipping from that place. I saw some ore recently shipped from Tide lake, which is about 25

miles from Stewart, from a property owned by one A. L. Phillips. This was a small shipment and it assayed 1,896 ounces of gold and 2,386 ounces of silver per ton. A small shipment which weighed 40 pounds netted after smelter costs $1,306. Mr. Speaker, I am not claiming that these values are usual but they do indicate that the mineral is there. At Tide lake this winter, ore is being mined which is so valuable they can afford to fly it from Tide lake to Stewart by chartered planes equipped with skis.

When the real Alaska highway is built up the western route from Hazelton to Whitehorse and that district has land connections with the rest of Canada, there will be more wealth produced from "them thar hills" than has as yet been dreamed of. When that happens, Stewart will take its logical place as another important north Pacific port.

I should like to turn my attention for a few moments, Mr. Speaker, from the physical aspects of the district to the reactions which we may expect from the people I represent to the speech from the throne. The people of Skeena, and I think I am capable of speaking for them, will welcome and receive a lot of comfort from this speech from the throne. My people happen to take quite an interest and a deep concern in matters of more than purely local interest. We are naturally interested in the outcome of the dominion-provincial conference because we realize that the final solution of many problems which are worrying us today must depend first upon some working formula between dominion and provincial governments. The people of Skeena riding, therefore, will welcome those words in the speech from the throne:

> This conference marked a promising beginning in working out a satisfactory procedure—

And again:

> Agreement was reached on certain general principles and a continuing committee was established to further the work of the conference.

I do not think it would be letting any secrets out to say that we rather feared for the future of the conference. We are now extremely happy to know that it is working, and working as well as might be expected.

It would not be the truth, Mr. Speaker, if I were to claim that the people of my district are happy about the international situation with regard to the security angle. It is not surprising that the district which borders upon Alaska and the north Pacific ocean, and upon what is advertised in so many sensational and not so sensational magazine articles as the highroad between Russia and the United States, should be somewhat worried. They will therefore welcome the evidence in the speech from the throne that this government is conversant with the necessity of doing two things at once, of taking every possible step to prevent threats of aggression and yet at the same time taking the necessary steps to do what we can to avert that aggression should it take place.

I wish to read from the speech from the throne certain words which will be of great comfort to the people of my district:

> . . . our country continues to give full support to the charter of the United Nations.

Again:

> The cold war nevertheless still continues and imposes on all the free nations heavy burdens for the provision of defence forces and modern armaments. Preparedness to meet any sudden onslaught is essential and the means must be provided.

And again:

> In the development of Canada's defence forces, constant attention is being given to the best use of our resources, to the encouragement of joint research and experimental development and to the co-ordination of Canadian efforts with those of the other signatories of the North Atlantic treaty.

It would be surprising, Mr. Speaker, if the people of a riding situated where mine is did not get comfort from such a clear statement and such clear proof that this government realizes the situation.

There is another aspect of the speech which will also bring comfort—admittedly it may be delayed—to the people of my district. Representing a riding which produces almost entirely primary products and which will pin its hopes for the future to quite a large extent on building up international trade and providing the seaports for such trade, these words will be of comfort:

> My ministers will continue their effort to secure reductions in trade barriers. To this end preparations are actively under way for further multilateral trade negotiations later in the present year.

If the people of Skeena riding had been given the opportunity to write one sentence and put it in the speech from the throne, I think that is, to all intents and purposes, the sentence they would have written. But all cannot be perfect. I regret, as I think they will regret, an omission from the speech from the throne. In spite of suggestions which have reached us from various quarters in this house that one who occupies an obscure position on the back benches of this side of the house dare not raise his voice in criticism at any time, I still propose to express my regret that the speech from the throne does not contain some definite statement of intention with regard to a coastguard service. I speak, of course, particularly for the Pacific coast. I realize that a subcommittee of the Canadian maritime commission on search and rescue has been doing some work upon this matter, and I dare say further action will depend upon their submitting a report. But, Mr. Speaker,

it is impossible to overemphasize the importance of providing on the Pacific coast—I cannot speak for the other one—an adequate coastguard service. I use the word "coastguard" for want of a better one, because I think the service provided by the United States coastguard is just about what our people want. I am not going to try to tell this government or the officers of the department exactly what that service should consist of. That is a job for the specialists and the experts. But as this move started, so far as I am aware, about seven years ago in Prince Rupert, and as it has certainly received the backing of practically every major organization within my riding within two hundred miles of the coast I feel that I must—and I gladly do it—add my word of support to it.

Proceeding logically from the question of a coastguard service, next comes the question of radio as it affects ships and ship-to-shore communication. I notice that the speech from the throne tells us that the Canada Shipping Act is to be reopened in conjunction with the international convention for the safety of life at sea. I am no expert in reading international conventions; and while I have spent hours with the international convention for the safety of life at sea, I still have some doubts as to what it covers in certain districts and as to certain tonnages. I therefore want to make this suggestion most strongly to the government in conjunction with but not dependent upon a coastguard service. That is, that the Canada Shipping Act or other appropriate legislation should provide that every ship of, shall we say, fifty tons or more, and every ship chartered for the carrying of passengers, should carry at least one full-time radio operator who shall have no other duties but the maintenance of radio equipment and the keeping of radio watches.

The answer which is likely to be made is this: "On your coast practically every ship of any size carries a radio operator who is also perhaps assistant purser or freight clerk or something of that sort; but what does that matter, because if the ship gets into difficulties he can easily go up to his little shack and send out his message?" But that is only half the situation, Mr. Speaker. That makes it fine for that ship itself if it strikes a rock, but it makes that ship absolutely useless to give any help to another vessel twenty-five or thirty-five miles away, and out of sight, if the first ship has not a radio operator keeping watch. What is the use of a radio operator on the ship which is being wrecked dashing up to his cabin and sending off SOS's if no other radio operator is going to be in his shack until he too has an SOS or a message to send? I grant that is a *reductio ad absurdum* but it is not so *ad absurdum* as it sounds because that is how the thing will work out in practice.

I do not want to waste words by repeating myself, but I urge that, when the Canada Shipping Act is being opened this year, we make absolutely certain that no vessel of, say, fifty tons or more and no vessel carrying passengers for hire be allowed to sail without a full-time radio operator—and I mean "full-time", not having other duties as well.

The speech from the throne announced a long-desired decision in the matter of veterans' affairs. At last the imperial is to receive the war veterans' allowance. The only criticism one can possibly make of that proposal is that we should like to have seen it sooner. At the same time, we cannot expect to have everything at once; neither can we expect to have everything as soon as we ask for it. I wish to commend the department and the minister most strongly for their decision at last to bring the war veterans' allowance to the imperial. This means that the War Veterans Allowance Act is going to be reopened; and I do not doubt that every minister in this government knows that the minute you open an act for one purpose, you are going to have some other requests. Hence they will not be surprised if we mention another matter in connection with the war veterans' allowance. Let me make this matter clear, Mr. Speaker. I know, and this country knows, that this government has given the veteran in Canada generous and more than generous treatment. Of that there can be no criticism. All one has to do is to compare it with any other country in the world. Unfortunately it aways happens that some injustices may creep in, and some unforeseen difficulties may arise. As I understand, the veterans' allowance act—in fact I know what I am talking about because I was for fourteen years secretary of a Legion branch—was brought in primarily on the basis that a veteran who had served in a theatre of war during world war I was prematurely aged, and therefore the war veterans' allowance was given to him at age 65, whereas he would have to wait until age 70 to get the old age pension. Assuming that that is so—and it is so—we find a most unfortunate situation. We find that in certain generous provinces, such as British Columbia, the old age pensioner finds that he can draw, assuming he is single, $50 a month. I grant you that that does not all come from the dominion, whereas the war veterans' allowance does. I know that when that situation was brought to the attention of the departmental officials a year or so ago a subsidiary allowance arrangement

was brought in, and that it is the intention of the department to give that special allowance an opportunity to see how it works.

I want to express my personal thanks for the courtesy and consideration which the minister and the rest of his department have given to me on every occasion on which I have approached them on this subject. But I do wish to suggest that it would be the wish of the country that those old men who draw the war veterans' allowance should not draw less than the old man who draws the civilian old age pension.

The people of the Skeena district, Mr. Speaker, on whose behalf I have been speaking, do not suspect this government of being perfect. They realize that this government is composed of human beings, and that as long as human beings are human, and as long as this world is going to be an interesting place in which to live, human beings are not going to be perfect. And so they, and their representative, realize that at times there may be some reason for criticism or some places where something might have been a little better. But I want to tell you that the people of my district would sooner put their confidence in the sponsors of this speech from the throne, who mean what they say, than they would in the apostles of gloom and despair who presumably also mean what they say, and incidentally who in the past six months—and it has been my pleasure to be opposite them—seem to have spent a very great part of their time, effort and energy in twitting the Prime Minister upon the size of his majority and in advising the Prime Minister what to do with his majority, and in advising the majority what to do with their Prime Minister. That may not be hard to understand, Mr. Speaker. It is possible that the leaders of the opposition and some of their followers may have quite a feeling of responsibility for the size of this majority, because they helped to put it here.

I want to conclude on the note on which I started these rambling remarks. In company, I think, with every hon. member in this house, no matter where he sits, I would like to offer my personal assistance and co-operation to the government and to each member thereof in so far as local problems of our district are concerned. I will even go further than that. I will promise not to support or endorse any expenditure or undertaking which I am not fully satisfied is in the best interests of the country. Quite apart from where we sit, we know that local ambition and local pride will cause many communities to ask for government expenditures which we cannot really state are justified in the public interest. I do not think any of us want to endorse that. I do not think any of us would want to support harebrained legislation. On the other hand, I would respectfully submit to the government that we who are the elected representatives from the different districts and who have, or who should have, or else we do not belong here, an intimate personal knowledge of the problems of our districts, should have our representations and our views, irrespective of whether they are from the opposition or from the government side, given consideration. Our local knowledge should be given consideration.

I should like to say to the government that as long as they will continue to operate along these lines and to conduct the affairs of this country as they have been doing, with the willingness to serve, with the courage and with the faith in Canada's future that they have, they and we will continue to enjoy the confidence of the country.

Mr. H. O. White (Middlesex East): Mr. Speaker, as it is approaching eleven o'clock I would suggest that you call it eleven o'clock and I would move that the debate be adjourned.

On motion of Mr. White (Middlesex East) the debate was adjourned.

Mr. St. Laurent: I move that the house do now adjourn.

BUSINESS OF THE HOUSE

Mr. St. Laurent: Tomorrow we will continue with this debate.

Motion agreed to and the house adjourned at 10.50 p.m.

HOUSE OF COMMONS

Tuesday, February 21, 1950

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

REDUCTION IN PASSENGER TRAIN SERVICES—COAL SUPPLY—CORRESPONDENCE

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, in my statement to the house on Friday last, February 17, concerning the reduction in passenger train service on the Canadian National Railways, I made reference to a memorandum which had been given to me by Mr. Donald Gordon, president and chairman of the Canadian National Railways, as well as a letter of explanation given to me by Mr. Vaughan, the former president of the railway. In view of the comment that has appeared in a certain portion of the press I think I should read these documents to the house.

The memorandum prepared by Mr. Gordon reads as follows:

The significant events surrounding the development of a shortage of coal which forced the emergency reductions in passenger train service in the Canadian National Railway system are as follows:

1. The program for coal stocks approved by the board of directors at its meeting in October 1948 contemplated an objective of 2,365,000 tons as of December 31, 1949, about four and one-half months' supply. In actual fact, the stock position at December 31, 1949, was only 1,043,000 tons, which, taken in conjunction with a serious interruption of supplies arising out of labour disputes in United States mines, meant a condition of emergency with only twenty-four to twenty-six days' stockpile in the heavy traffic region.

2. If the stockpile objective as approved by the board of directors had been attained, a reduction in train service would not have been necessary unless there had been a complete interruption of supplies covering, say, a three or four months' period.

3. On June 9, 1949, Mr. R. C. Vaughan, as president, took responsibility for directing the purchasing department that the coal stockpile objective should not exceed approximately three months' supply, in the belief that, under normal conditions, such a supply would be ample.

Mr. Vaughan's judgment in making this amendment in the coal stockpile objective was based upon:

(a) a desire to reduce the financial cost of maintaining a large inventory, which already stood at $72 million, and to avoid the possibility of having to make further borrowings for working capital purposes;

(b) a belief that serious labour disputes in the United States mines would be avoided and that coal supplies were likely to be ample with prices likely to soften;

(c) the desirability of reducing expenditures in United States dollars as requested by government;

(d) the fact that traffic was showing a declining trend.

4. In the event, as is well known, there have been a series of work interruptions in U.S. mines as follows:

June 13, 1949: five-day work stoppage.

June 25, 1949: two weeks' vacation period.

July 11, 1949: three-day-a-week work program.

September 19, 1949: strike, fifty-one days.

December 1, 1949: walkout. Modified by resumption of a three-day-a-week program December 5.

January 3, 1950: wildcat strikes throughout United States coal fields.

As well, unprecedented bad weather conditions resulting in floods and slides in the open pit mines seriously reduced production.

5. While orders for the purchasing of United States coal had been held to a minimum in accordance with government policy for the conservation of United States dollar expenditures, the actual orders placed for Canadian and United States coal jointly would have been sufficient to meet requirements if regular deliveries had been maintained from the United States mines. However, as a consequence of these work interruptions current shipments on orders to meet consumption could not be maintained, and the C.N.R. stockpile, which by December 28, 1949, had fallen to only 1,043,000 tons spread over the entire system, was not sufficient to take the risk of an extended interruption of coal deliveries.

6. The reduction in passenger train service put into effect totalled 89,000 miles, as follows:

Atlantic region	13,700
Central region	45,800
Western region	26,300
U.S. lines	3,200

—bringing about an estimated reduction in coal consumption of 1,010 tons per day. The number of train service employees affected by this reduction is estimated at 500.

7. In summary it seems clear that the work interruptions in the U.S. mines form the basic reason as to why the Canadian National Railways were unable to maintain coal supplies. Canadian coal is used on all Canadian regions, but the supply of usable Canadian coal available to the C.N.R. falls far short of meeting the over-all needs of the system, particularly in the central region. The development of the labour disputes in the U.S. mines and the interruption of coal deliveries found the C.N.R. in an inadequate stockpile position, and action had to be taken to conserve system stockpiles and use them to the best advantage so as to reduce public inconvenience to a minimum. While the stockpile at the end of the year still showed about fifty days' supply over the whole system, it was, of course, not spread evenly, and a critical area of shortage had developed in the heavy traffic central region; consequently, in order to prevent more drastic reduction in passenger service later on, Mr. R. C. Vaughan and the operating and the purchasing officers of the railway deemed it necessary as a precautionary measure to put the temporary twenty-five per cent passenger train reduction into effect, and it was considered only

fair that all sections of Canada should be treated in the same way so far as that reduction was concerned.

That is the end of the memorandum prepared by Mr. Gordon.

Mr. Isnor: What was the date of the memorandum?

Mr. Chevrier: February 6. Now I shall read the letter from Mr. Vaughan to myself dated February 13, 1950:

Dear Mr. Chevrier:

On the eve of the opening of parliament I thought I would drop you a line to indicate the basic reasons which brought about the twenty-five per cent curtailment of passenger services on the Canadian National Railways as announced on December 28, 1949, just before the expiry of my term as chairman and president of the Canadian National Railways.

I have no doubt that the coal problem on the Canadian National has given you considerable concern, and I am only too glad to take this opportunity of bringing to your attention that early in the month of June, 1949, instructions were given by me to the vice-president of purchases and stores to keep the coal stocks of the Canadian National Railways at approximately a three months' supply. That reserve I considered ample to meet any emergency such as work stoppages in the mines in the U.S. Over a period of thirty years three months' stock has been sufficient, and as a large part of the coal we use in Ontario comes from the U.S., we wanted to do our part in assisting to save the expenditure of United States dollars.

There is no need for me to bring to your attention the fact that there were many work stoppages, strikes, and diminishing hours of work in the coal industry in the U.S. during 1949. At no time in the history of this industry has such a situation occurred as prevailed during this last year. I would like to state that the one and only reason for the present coal situation as it affects the Canadian National was the inability to get delivery of the coal it contracted for early in the season of 1949 due to strikes and work stoppages in the mines in the United States in 1949.

It was unfortunate that stories carried the suggestion that the management of the Canadian National was reducing passenger train services in order to bring about financial economies. I have noted the strong denials of Mr. Donald Gordon and yourself in the press on this matter, and I wish to add that this was furthermost from my mind when the management decided to curtail passenger services. All we were interested in was to conserve our fast dwindling coal stocks, and to prevent, if possible, a subsequent greater reduction in train service.

I regret that you were not advised, until after the notice was issued, of the reduction in train service. This was something that had to be dealt with quickly. We operate a substantial mileage in the United States. We knew that the situation there was desperate and that drastic action was to be taken by the interstate commerce commission of the U.S. to reduce train service. We were still getting a substantial tonnage of coal from the U.S., but not in anything like sufficient quantity to replenish our diminishing coalpiles, and we were fearful that if we did not take some action our coal deliveries would be interfered with because the U.S. railways had so much less coal on hand than we had. As you know the reduction in train service put into effect in the U.S. had greatly exceeded the cut made by us in Canada. We, of course, have had to follow the U.S. railroads on the lines we operate in the U.S., because that was brought about by an order of the interstate commerce commission. We were daily expecting, as were all the U.S. railroads, that the miners in the U.S. would be ordered back to work.

Sincerely yours,

R. C. Vaughan

Those documents speak for themselves, and I have nothing to add.

While I am on my feet, perhaps I might deal with two of the matters which came up at that time. The senior member for Halifax (Mr. Isnor) asked a question as to the proportion of United States and Canadian coal contained in the amount of 2,365,000 tons. The Canadian National Railway inform me that they have not that information, because it cannot be broken down in a satisfactory manner. I believe the information I have here, however, will satisfy my hon. friend, and will answer the question of the hon. member for Peel (Mr. Graydon).

The only information which the Canadian National has is as to the receipt of Canadian and United States bituminous coal. I have a break-down of those figures for five years. It is quite lengthy, but perhaps the house will allow me to give it for a year or two and table the remainder. If the house wishes, I can give the whole table.

In 1949 the total amount of the receipts of Canadian and United States bituminous coal was 5,100,000 tons. Of that, 2,000,000 tons was Canadian coal; 2,600,000 tons was United States coal for Canadian lines; and 500,000 tons was United States coal for United States lines. In 1948 the total was 7,500,109 tons. Of that total, 2,123,641 tons was Canadian coal; 4,584,594 tons was from United States mines for Canadian lines, and 791,874 tons was from United States mines for United States lines.

I could continue with the table, but I think that is sufficient.

Mr. Coldwell: Will the minister put the rest of the figures on *Hansard*? The minister said he was going to table them.

Mr. Chevrier: Yes; the remainder of the table deals with the years from 1945 to 1947, and if the house will allow I shall put it on *Hansard*.

Mr. Speaker: Will the house permit the minister to put on *Hansard* the table to which he has referred?

Some hon. Members: Agreed.

Mr. Chevrier: The table is as follows:

	Canadian coal	U.S. for Can. lines	U.S. for U.S. lines	Total
1949 (est.) ..	2,000,000	2,600,000	500,000	5,100,000
1948	2,123,641	4,584,594	791,874	7,500,109
1947	1,733,255	5,197,702	994,532	7,925,489
1946	2,270,548	3,909,514	896,490	7,076,552
1945	2,116,780	4,010,193	891,184	7,018,157

Mr. Graydon: We are getting more from the United States than from our own mines?

Mr. Chevrier: Yes. In the war years a large proportion of the coal for Canadian National Railways use came from the United States mines. It went as far east as Moncton, and as far west as Winnipeg.

Mr. Graydon: Has it never occurred to the government that a Canadian-owned institution such as the Canadian National Railways could surely adopt some policy to utilize coal from Canadian mines, which would give employment to Canadian workers?

Mr. Chevrier: It is and always has been the policy of the government to utilize Canadian coal to the fullest extent.

Mr. Graydon: It has not worked out, though.

Mr. Chevrier: I said during the war years it was impossible to get Canadian coal, and the house knows it; because even in certain parts of the maritime provinces it was necessary to haul United States coal. At the moment, and last year and the year before, the Canadian National Railways are purchasing as much coal as they can get from mines at both extremities of Canada.

Mr. Graydon: Is the minister sure about that?

Some hon. Members: Oh, oh.

Mr. Graydon: That is not my information.

Mr. Carroll: I wish to ask one question of the Minister of Transport. Is he aware of the fact that in June and July of 1949 the railway attempted to cancel, and did cancel, a contract for 65,000 tons of coal—that is, a contract with them by the coal mining industry of the province of Nova Scotia; and the result was that it was necessary for the coal industry of that province to get the intervention of the Minister of Transport to have the contract renewed and fulfilled?

Mr. Graydon: That is letting the cat out of the bag.

Mr. Fraser: A fool policy instead of a fuel policy.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—ENFORCEMENT REGULATIONS

Mr. Clarence Gillis (Cape Breton South) moved for leave to introduce Bill No. 6, to amend the Industrial Relations and Disputes Investigation Act (enforcement).

Some hon. Members: Explain.

Mr. Gillis: This bill, Mr. Speaker, has for its purpose the amending of the Industrial Relations and Disputes Investigation Act. It aims at replacing the present sections 43, 44, 45 and 46 of the act by section 43 as indicated in this bill.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

CONSOLIDATION AND REVISION OF EXISTING LEGISLATION—ORGANIZATION FOR DEFENCE—CODE OF SERVICE DISCIPLINE, ETC.

Hon. Hugues Lapointe (for the Minister of National Defence) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to revise and consolidate in one act the several acts respecting the Department of National Defence and the armed services of Canada, with provision *inter alia* for the payment of pay and allowances of officers and men of the forces, the salaries and expenses of members of the defence research board, fees and allowances of the members of the court martial appeal board, the compensation for loss or damage due to the exercise of emergency powers, advances to meet expenses and costs of calling out forces in aid of civil power, the acquisition and disposition of property and generally the costs of and incidental to the operation of the act, and all other matters directly concerning defence.

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

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

That Louis Rene Beaudoin, Esquire, member for the electoral district of Vaudreuil-Soulanges, Quebec, be appointed deputy chairman of committees of the whole house, notwithstanding the provisions of standing order 56.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

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

That this house resolve itself at its next sitting into a committee to consider of a supply to be granted to His Majesty, notwithstanding the provisions of standing order 57.

Mr. Gordon Graydon (Peel): Mr. Speaker, in the absence of the leader of the opposition (Mr. Drew) I do not desire to repeat the arguments which were so eloquently and forcefully presented by him on the first day of the session; but it must have been impressed upon the minds of hon. members generally that, as was indicated by the

leader of the opposition on that occasion, a custom had grown up which should not be allowed to become a precedent in this house, though it is rapidly moving in that direction. What the Prime Minister (Mr. St. Laurent) is attempting to do in this resolution, of course, is simply to change the order which has been the custom in peacetime sessions of parliament for many decades.

I think you will recall, sir, the words of the leader of the opposition when he pleaded with the Prime Minister not to make this move, and quoted the words of none other than the former prime minister, Mr. W. L. Mackenzie King. While it is not possible for those on this side of the house to endorse everything that the former prime minister said, there is no reason why we should not pick out some of the good things; and we are doing so on this occasion.

I should like to say to the Prime Minister and to the government that the opposition does not feel that it can concur in the suggestion contained in this resolution. We think we are departing from a custom and a practice, and also from the rules. For that reason we must insist upon the debate on the speech from the throne being concluded and the issue brought to a vote before dealing with matters that normally should be dealt with only after the debate has ended. I ask the Prime Minister if in view of the circumstances he will not withdraw his motion.

The house divided on the motion (Mr. St. Laurent) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Bater
Beaudoin
Benidickson
Bennett
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bradette
Bradley
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Cannon
Carroll
Carter
Cavers
Chevrier
Cleaver
Cloutier
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Cournoyer
Croll
Cruickshank
Dechene
Demers
Denis
Dewar
Dickey
Dion
Douglas
Dube
Dumas
Elderkin
Eyre
Fauteux
Ferrie
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gibson
Gingras
Gingues
Goode
Gosselin
Gour (Russell)
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Henderson
Hetland
Hosking
Huffman
Isnor
James
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapalme
Lapointe
Larson
Leduc
Lefrancois
Little
Macdonald (Edmonton East)
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCubbin
McCulloch
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Masse
Martin
Matthews
Maybank
Mayhew
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Pearson
Picard
Poulin
Pouliot
Power
Proudfoot
Ratelle
Richard (Ottawa East)
Riley
Rinfret
Roberge
Robertson
Rooney
Ross (Hamilton East)
St. Laurent
Simmons
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Studer
Thomson
Tremblay
Valois
Viau
Ward
Warren
Weaver
Weir
Welbourn
Whiteside
Winkler
Winters
Wood—154.

NAYS

Messrs:

Adamson
Argue
Balcer
Beyerstein
Blackmore
Blair
Brooks
Bryce
Casselman
Charlton
Coldwell
Courtemanche
Coyle
Diefenbaker
Fair
Fleming
Fraser
Fulton
Gillis
Graydon
Hansell
Harris (Danforth)
Herridge
Higgins
Hodgson
Homuth
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
McGregor
McLure
Murphy
Pearkes
Quelch
Ross (Souris)
Rowe
Shaw
Stewart (Winnipeg North)
Thatcher
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie—48.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

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

That this house do at its next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty, notwithstanding the provisions of standing order 57.

Mr. Gordon Graydon (Peel): Mr. Speaker, the observations I made in connection with the preceding motion would apply to this one.

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

Mr. Graydon: On division.

Mr. Coldwell: On division.

Motion agreed to on division.

UNEMPLOYMENT INSURANCE

SUPPLEMENTARY BENEFITS DURING WINTER SEASON—VARIOUS AMENDMENTS

Hon. Paul Martin (for the Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend The Unemployment Insurance Act, 1940, to provide for supplementary benefits during the winter season in any year and government financial contribution in consequence thereof, for additional insurance coverage, for readjustment and simplification of rates of contribution, and for consequential amendments; to provide also for an increase in the membership of the unemployment insurance advisory committee from six to eight members; and to provide further that the members of the national employment committee shall receive the same remuneration as the members of the unemployment insurance advisory committee.

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

Motion agreed to.

HOUSING

QUESTION AS TO SUBSIDIZED PROJECTS UNDER NATIONAL HOUSING ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Resources and Development. Has the government reached agreement with any of the provinces for the construction of subsidized housing projects under section 35 of the National Housing Act which was passed at the session of last fall? If not, can the minister say whether negotiations in connection with such projects are under way?

Inquiries of the Ministry

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for giving me notice of his question. Several provinces have indicated their intention of bringing in complementary legislation during the sessions this year of their legislatures. In the absence of authority, agreements cannot be entered into with the provinces for projects, but discussions have been and are taking place.

WHEAT

FINAL PAYMENT ON SALES BETWEEN 1945 AND 1949—INTERIM PAYMENT ON OATS AND BARLEY

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Acting Minister of Trade and Commerce, or his parliamentary assistant, arising out of a number of resolutions passed by farm organizations. In view of the financial needs of farmers generally, particularly those in the drought area of Saskatchewan, has the wheat board given consideration to making a final payment in connection with the sales of wheat made between 1945 and 1949 so that farmers may be provided with the necessary resources for carrying on their spring work.

Mr. P. E. Wright (Melfort): I had intended to ask a similar question, but I would carry it a bit further. Has the government given consideration to making interim payments on the oats and barley marketed by the board this year?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I would prefer to treat the two questions as notices and bring forward the answers in a day or two.

AIR TRANSPORT

QUESTION AS TO PROPOSAL FOR CONSTRUCTION BY U.S. OF AIRPORT IN CANADIAN TERRITORY

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I have a question of some urgency and of great importance. If the answer cannot be given today I hope that it will be given tomorrow. I refer to a proposed aerodrome which Detroit, Michigan, or the United States government, is planning to build in Canadian territory in the vicinity of Windsor. I should like to ask if this proposal has actually been discussed by the United States and Canadian authorities. Will it mean the granting of extraterritorial rights in Canada to the United States? Who will build the aerodrome, and who will own it if it is built?

Inquiries of the Ministry

Hon. Lionel Chevrier (Minister of Transport): I may say that the proposal has not been discussed, but it is the intention to discuss it at a future date. In reply to the question whether extraterritorial rights will be granted to the United States, I think my hon. friend well knows that the answer is no. I have forgotten the third question.

Mr. Pouliot: Who intends to build the aerodrome? Who will own it if it is built, and who will operate it?

Mr. Chevrier: If the project comes to fruition in Canadian territory, the airport will certainly be operated by the Department of Transport. As I say, there have been no discussions but I am informed that it is the intention to have some. Until those discussions have taken place it is impossible to give more definite information.

UNEMPLOYMENT INSURANCE

EMPLOYEES OF HOSPITALS AND CHARITABLE INSTITUTIONS—PUBLIC HEARINGS

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, in the absence of the Minister of Labour (Mr. Mitchell) I should like to ask his parliamentary assistant if the public hearings that were called by the unemployment insurance commission to discuss the bringing of employees of hospitals and charitable institutions under the Unemployment Insurance Act have been cancelled, and, if so, for what reason. The meeting was called for February 24.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): This proposed meeting has not been cancelled. I believe that the date has been delayed somewhat in order to meet the convenience of a number of delegates.

PUBLIC BUILDINGS

CHARLOTTETOWN—QUESTION AS TO CALLING FOR TENDERS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Have tenders been called for the erection of the dominion public building at Charlottetown, Prince Edward Island? If not, when will they be called? Perhaps the minister would prefer to make a statement with reference to this matter, and if so he can take this question as notice.

Hon. Alphonse Fournier (Minister of Public Works): To the best of my knowledge, tenders have not been called, but they will be called as soon as the plans and specifications are ready, which I hope will be soon.

POST OFFICE

RURAL MAIL COURIERS—INQUIRY AS TO COMMITTEE ON POST OFFICE ACT AMENDMENT BILL

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Postmaster General if when the bill with respect to the Post Office Act, envisaged in the speech from the throne, is introduced, it will be sent to a committee to consider the problems of the rural mail couriers.

Hon. Edouard Rinfret (Postmaster General): We have not discussed the matter yet. I shall take it under advisement.

Mr. Graydon: The Postmaster General can take this as notice that we should like to have that done.

TARIFFS AND TRADE

MEASURES ARISING OUT OF GENEVA AND ANNECY CONFERENCES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Finance if it is the intention to bring before parliament at this session any measure arising out of the conferences at Geneva and Annecy?

Hon. Douglas Abbott (Minister of Finance): No decision has yet been taken as to whether any such measures will be brought before parliament. One factor in arriving at such a decision will be the action which may be taken by the congress of the United States.

RAILWAYS

ADDRESS OF MINISTER OF TRANSPORT IN TORONTO, FEBRUARY 20

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Transport. Can he say whether in the speech which he is reported to have delivered yesterday in Toronto on railway matters he was enunciating government policy, and is he prepared to table a copy of that speech in full so that hon. members may have it?

Hon. Lionel Chevrier (Minister of Transport): The speech which I delivered yesterday in Toronto dealt with a general consideration of railroad matters. It dealt with the position

of the railroads today; it dealt with the arguments of the railroads; it dealt with the argument of the provinces, and it dealt with the argument of the consumers. It was a factual statement of the position as it stands today.

Mr. Knowles: That is not the way it was reported.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, February 20, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. H. O. White (Middlesex East): Mr. Speaker, with the galaxy of speakers that we had yesterday I wonder if I am going to be able to follow adequately in their footsteps. Like other speakers I wish first of all to convey my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne and compliment them upon the presentations they have made of the problems affecting their particular constituencies as well as of the broader picture of the Canadian position today.

When the leader of the Social Credit party (Mr. Low) spoke yesterday he referred to federal aid to education. I agree with what he said because of the burden that education imposes in many cases upon the home and land owner. They are the very best people in the land; they produce the wealth from which all our taxes must come. If this burden can be eased in any degree it will certainly be acceptable to the municipalities.

The hon. member also mentioned the possibility of accepting blocked sterling in payment of agricultural and other products sent abroad. I would point out to you, Mr. Speaker, and to the house that a couple of sessions ago I offered this very suggestion, so possibly we are coming closer to realizing that objective.

I was interested in what was said last evening by the hon. member for Skeena (Mr. Applewhaite) about his very interesting constituency. The hon. member also offered the suggestion that we of the opposition parties were apostles of gloom. I refute that suggestion, but I do say to the hon. member that we are not among those who are afraid to face the facts; and those facts are not too encouraging at the moment. Denying their existence does not answer the problem at all.

Before I go further with these marketing problems I want to deal with a few general questions that have come up since last session. I feel it is my duty first of all to interpret the opinions, the wishes and the desires of my constituency, which comprises the rural area of Middlesex East and about one-quarter of the city of London. Thus in my constituency there are both rural and urban interests. Many think they conflict, but actually they are closely associated, because if one part of our economy suffers it is not long until all other parts suffer as well. It seems to me that in a very limited way the speech from the throne reveals the condition of the ship of state; and it shows that in two particulars all is not well. I think it shows the state of mind, shall I say, of the temporary crew, which seems to be this: We fooled them in June; we can do it again. Hon. members will recall that years ago the Insull public utilities empire collapsed. When its assets were being liquidated they found a warehouse full of empty cartons. Here we have a warehouse full of empty promises by the government dealing with long-term price stability and what have you. If I were to give a short description of the speech from the throne I would do so in these words: Two bells, all's well; hell's bells, call out the watch.

From 1939 to 1949 we had 143 contracts with Europe. In 1936 we had 23 contracts. In 1950 we have 4, written in invisible ink on tissue paper. I want to point out the effect these disappearing markets are going to have on my people, not only those in the country but those in London and all the cities of Canada. I have figures from the dominion bureau of statistics showing the percentage of the consumer's dollar that trickles back to the producer. From 1913 to 1919, a fairly good, prosperous period, from 45 to 51 per cent of the consumer's dollar went to the primary producer. In 1920 a levelling off period commenced which continued until 1924, and during those years the primary producer received 40 per cent or less of the consumer's dollar. During that period there was a bit of unemployment and some unrest in the country. From 1925 to 1929 the primary producer received from 42 to 43 per cent of the consumer's dollar.

I do not need to recall to hon. members what happened in 1929. In 1930, the year of the great collapse, only 39 per cent of the consumer's dollar went to the producer, and by 1934 this had dropped to 32 per cent. Those were the years of mounting unemployment in our country. From 1935 to 1939, the first year of the war, the primary producer received only 39 per cent of the consumer's dollar.

During the period from 1942 to 1948, however, the percentage varied from 48 to 54 per cent. Those were the years when everyone was employed and the basic primary producer received a good percentage of the consumer's dollar. Now we are getting back to the point where in some particular lines—and I could mention eggs—a very small percentage is being received by the producer.

Those are the facts which must be faced at this time by this government, this parliament and the people as a whole. They are pertinent and significant facts. The picture today is very different from the picture last June. Then we had these promises of high employment, overseas contracts, buoyant revenues, stability of prices and markets. Today we have alarming unemployment figures; and even those figures are not correct, because they indicate only the number who have registered with the national employment service. There are many people who are out of work who have no reason to go to the national employment service office. They cannot find a job there, because all these other people are there looking for work.

It is noticeable also that, at the very time these contracts were being cancelled and the prices the farmers were receiving were dropping, Mr. Mosher and Mr. Bengough called upon the government to declare an emergency. They desired the government to commence a program of public works across the dominion to alleviate the unemployment situation. It would seem, therefore, that Canada's export trade markets are closely linked with the unemployment problem.

Reference was made today to widening the scope of the Unemployment Insurance Act. This matter is dealt with in the speech from the throne. On my desk there are resolutions from two of the main hospitals in the city of London, protesting against being brought under the Unemployment Insurance Act. What is actually happening is that many people are being called upon to pay into that insurance fund, without any hope of being able to collect from it during their lifetime. It has been intimated that possibly farmers and farm labourers will come under that act. How many of you know of unemployed farmers? I would urge the government to give serious consideration to the proposal to bring hospital employees under the act.

While I am speaking about unemployment insurance, may I say that an individual case was brought to my attention in London last week. This man had contributed towards unemployment insurance for a year and a half. He was considered old enough to pay into the fund, but when he became unemployed the officials forced him to prove his age before he could draw upon the fund. If he was old enough to pay into it, I believe he should have been considered old enough to receive payments from the fund.

I must say that London is one of the most favoured spots in Canada so far as unemployment is concerned. There are various reasons for that. Because of the diversity of its industry, because of its position as a financial and educational centre of western Ontario, London is not dependent upon seasonal employment as are some of the other areas in Canada. I noticed that yesterday the Prime Minister (Mr. St. Laurent) mentioned the fact that this unemployment was seasonal and temporary. I hope it is not as temporary as some of the jobs in the civil service, because I know of civil servants who have been temporary for twenty years. If the men who are unemployed today thought the situation would last for twenty years, they would be quite disturbed. Let us find out what temporary means. Does it mean today, tomorrow or five years from now?

What are the causes of this unemployment? Probably the biggest factor is loss of trade. Fear of the future and the destruction of incentive by excessive taxation are two important causes. The excessive taxation is brought about by government waste. I suppose someone will ask me to point out this government waste. I shall just mention one case, and it is in the Department of National Defence. It has been estimated that it costs approximately $30,000 to train an officer. This figure was supplied by reliable authorities in the educational field. Similar figures can be found in a return tabled in my name during the last session. This question of excessive taxation will become more difficult as trade diminishes, and unemployment mounts. Now, before the situation becomes too serious, is the time for the government to make some constructive move towards solving the problem.

The lack of purchasing power by all those engaged in the primary industries in this country is another factor causing unemployment. There is also the fact that we are pricing ourselves out of many markets. I should like to draw to the government's attention the fact that millions of dollars have been spent to build up Europe, while our own country, with all its resources, has been neglected. We could quite well spend all the money we have spent trying to rebuild Europe in building a better Canada.

Trade barriers are another cause of unemployment. Many of you will recall that we were summoned to Ottawa in haste in the autumn of 1947 to ratify the Geneva trade treaty. As yet, those treaties have not been

placed before us for ratification. A year ago, another meeting was held in France, as the Minister of Finance (Mr. Abbott) mentioned today. It is about time we finished the conference stage, and started producing results.

I have before me the throne speeches for the past three sessions. I would advise the hon. member for Skeena (Mr. Applewhaite) to study those three speeches. He seemed to get a good deal of satisfaction from the things that were forecast in the speech from the throne. If he will consider the three speeches I mentioned, he will find that paragraphs 6, 8, 9, 10, 21, 22, and 23 of the January, 1949, speech have never been carried out. Paragraphs 7, 8, 9 and 10 of the September, 1949, speech have not been touched. Those paragraphs contain the meat of the speeches from the throne at the last two sessions, so it is obvious that we have left unfinished many of the things we hoped to accomplish. What comfort there is to be gained from the speech from the throne is more than I can understand.

All three speeches from the throne mentioned the problem of exchange and monetary control. We have too much control. Neither trade nor money is allowed to flow freely. As I said before in a speech in this house, if the nations who joined the Atlantic pact can make a gun or a tank that is universal, surely they can find a trading dollar that is universal. This would enable us to trade freely with one another. How are we going to build a strong western defence unless we can trade with one another?

I have noticed that there are proposals in the throne speech concerning amendments to the Agricultural Products Act. The federation of agriculture recommended that producer boards be set up for the marketing of Canadian farm products. That was changed, however, to government boards. But now, as I understand, another proposal is made and we are going to hand it back to the producers. There is only one reason why that is going to be done. It is just like the situation where a bully takes a toy from a child; when the toy is broken he says: Here it is; see what you can do with it. That is what happened with regard to our market; it is a broken toy. So they say: We will hand it back to you; see what you can do with it. There is also provided a place to put the blame if things go wrong.

I just want to read into the record part of an article that appeared in the Winnipeg *Free Press* of December 21, 1949:

> They are now discovering that the law of supply and demand has not been repealed and that having foolishly given away the "ups" of the market, the farmers must now bear the "downs".

The bitter consequences of foolish leadership are rapidly becoming clear.

I said once before in this house, and I am going to repeat it, that it does not take a great deal of ability to sell scarce goods at a low price but it takes a considerable amount of ability to sell goods in surplus for more than they are worth; and that is what we should like to see being done now but are not likely to see.

The parliamentary assistant to the Minister of Agriculture (Mr. McCubbin), at a meeting in London, Ontario, suggested that these farmers take back their marketing problem, and that that is where it should be. I just want to say that if that is the right policy the minister has been wrong in all the years he has been here; or if he is wrong now, he was right then. But he cannot be right both times.

Mr. Gardiner: I might surprise you.

Mr. White (Middlesex East): They should never have taken it from the farmers. I agreed with what the parliamentary assistant said in London. They should never have taken it away from the farmers. Now when the situation is tough they say: We will give it back to them. The farmers are worried about this situation, because it is a breach of promise.

Mr. Gardiner: That is the same argument the hon. member's friends put up out in Battleford.

Mr. Graydon: The minister may yet be sued for breach of promise.

Mr. White (Middlesex East): The situation is this. During the war years we were told if we took less then, when the war was over and times got tough we would have a stable and long-term market. It is not very stable and it certainly was not a long-term one. In fact, I sometimes think we have two ministers of agriculture, namely the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture. As you will recall, Mr. Speaker, the Minister of Trade and Commerce came back last May and said he had a $25 million contract for Canadian products. I have never yet been able to find out whether or not we sold that extra $25 million worth; and until it has been proven to me, I am going to say that it was a phony contract. When he comes back this time, he had better bring something more than a suntan with him.

During the war years when we could get a fair price for our products in other markets, embargoes were placed on many primary products so that they could not go to the best markets. When cheese and other things became scarce, they were requisitioned to fill those contracts. We did not have a chance.

But now the government says: We will hand the problem back to them and see what they can do with it.

This is a serious problem. I do not want you to think that I am dealing with it lightly. The United States is facing a problem with regard to floor prices; and from articles appearing in the press it appears that the officials of the Department of Agriculture here are going to set a floor price, but the indications are that the price is going to be low. It is going to be a bargain basement price, I am afraid; and that was not what the farmers had in mind in 1945 or again in 1949 when the Agricultural Prices Support Act was dangled before them prior to the election. But now they are told that the situation has changed; the officials point to the United States with their accumulation of potatoes and other products and so they are saying: We cannot set this floor too high or we are going to get into difficulties, so we will put in a bargain basement floor.

As long as I can remember I have heard tariffs talked of. Some have said that a floor price for farmers is a subsidy. If tariffs are not a subsidy, I do not know what they are. I believe that farmers and others are quite prepared to do away with subsidies if all the rest of our economy is prepared to do the same thing. I think possibly it would be better for all of us if we gave some serious consideration to that matter because it is, no doubt, one of the things that are stagnating trade.

I have here a resolution passed at the last annual meeting of the Middlesex County Federation of Agriculture, and I should just like to read it:

> Whereas the future market outlook for farm products is uncertain; and
> Whereas farmers in this country produced and sold farm products during the war years below world market prices; and
> Whereas promises have been repeatedly made that farmers would be sustained by satisfactory floor prices;
> Be it therefore resolved that proper measures be taken to implement the provisions of the Agricultural Prices Support Act whenever the need arises.

This resolution was carried unanimously at that meeting.

For a moment or two I want to deal with the proposal in the speech from the throne to set up a committee to look into the national health plan, along with old age pensions and other things. This is going to take some time, and it looks to me as if it was a delaying action. If we examine these national health proposals, we shall find that they were first put forward as a policy of the Liberal party in 1919, and they have been brought out at the correct time practically ever since. In one of the throne speeches mention was made of the house committee on prices. We received three copies of it, it is true; but that is all that was ever done. It had the effect of drawing people's attention from the government's shortsighted policy to the troubles they were in; and in this way got the government out of the hole at the time. Nothing was ever done. That is about what is going to happen with this national health program. It has one purpose only, to attract attention and delay action.

Mention was made of the cold war. I just want to refer back again to the fact that if we are to fight an effective cold war we must have a healthy economy not only in Canada but in all the rest of the signatory nations to the Atlantic pact.

People are quite prepared to pay heavy taxes to maintain and strengthen our defences; but they also feel that there is very little to show for the $400 million that was spent on national defence last year.

In the speech from the throne we find the following:

> The measure to consolidate existing legislation respecting our defence forces . . . will be re-introduced.

I have made some reference to that, and reference was made to it in the two previous speeches. During the recess I heard more criticism back home of the Department of National Defence than I had heard in any of the past four or five years. I was asked such questions as these: What are you doing with the $400 million? What have you to show for it? We have one aircraft carrier that we are not able to keep in operation all the time. We have very few of the jet aircraft that we were taken to Rockcliffe to see some years ago. We have few of them today. A veil of secrecy has been cast over that $400 million of the people's money. Our people are worried about national defence. I should also like to refer to the fact that all the various branches of the service have a dental corps. One dental corps should be able to take care of the teeth of all the men that we have in the forces.

We need a realistic approach to the world's needs. We hear of people needing food. We know that there is a serious dislocation of distribution. We need a convertible currency, not a controlled currency, in the western community of nations. We cannot be strong militarily if we are weak economically. I think the whole thing can be summarized in what is taking place at the royal mint. They are making a new silver dollar. On the old silver dollar the good ship *Matthew* appeared, commemorating the entry of Newfoundland into confederation. On the new dollar they are taking to the canoe.

Mr. Daniel McIvor (Fort William): I count it a great honour to represent a constituency like Fort William, a constituency that is so progressive and so up to date in everything. When you ride in one of the trolley busses in Fort William and then start out on a trip in a streetcar in Ottawa you hope that Ottawa will soon come in line with Fort William.

I admired the Prime Minister's choice of speakers to move and second the address in reply to the speech from the throne. He combined the progressive intelligence of the west and the steady wisdom of the east. I think hon. members will agree with me that the leader of the opposition (Mr. Drew), the leader of the C.C.F. party (Mr. Coldwell) and the leader of the Social Credit party (Mr. Low) never spoke with more reserve and intelligence. I do not know whether they were afraid or just careful. I also noted that the Prime Minister showed remarkable reserve, but once in a while the Irish in him came bubbling out, which was a great thrill to a man like me.

I was greatly interested to see the prominence given to old age pensions in the speech from the throne. I was criticized last year for not voting for the resolution of the hon. member for Winnipeg North Centre (Mr. Knowles). Under the same set of circumstances I would act in the same way because I am not going to vote want of confidence in the government when I can "beef" all I wish to in caucus.

The minister has shown wisdom in bringing in a resolution dealing with old age pensions at the present time. I have always been in favour of abolition of the means test. I think there should be no means test; but wisdom does not die with me. I am not the end of all wisdom and I do not know everything about it. So far as I can see, the means test should be removed, but when we are in committee we shall have an opportunity to give our reasons. On the order paper the following resolution appears in the name of the Minister of National Health and Welfare (Mr. Martin):

> That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters:

Then he goes on to show how he wants this done. I think this is wise. If any hon. member has anything that he thinks would help the old age pensioner he should bring it to this committee.

I should like to pay my tribute to the officials in Toronto who administer this act. I do not care to what party they belong, they are giving a splendid service. They have given me some very fine thrills in the form of answers to requests I have made. They are administering the act in an honest way. I shall have more to say on this subject when the hon. member for Timiskaming (Mr. Little) brings in his resolution, because I intend to second it.

When I went home after the last session a good many people called me up and interviewed me. They asked me what had happened to the crime comics bill. One school principal said that the Minister of Justice (Mr. Garson) must be a generous man to take a bill from the opposition and incorporate it in the Criminal Code. I said: "He is not only a generous man, he is intelligent, notwithstanding those who think he was a little bit slow in bringing in the report on the combines act." I can tell you, Mr. Speaker, that there are other men in this house who are also slow. Some of those on the other side of the house were just a little bit slow last year. I am slow sometimes, and a little dull in thinking; but when we keep at it we get there in the end.

I should like to tell the Minister of Justice that we at the lakehead appreciate the service that he has given to those children and to those teachers and other workers who are trying to make good Canadians out of our boys and girls.

We have at the lakehead a number of paper mills. Last year I made the statement that we have the largest paper mill in Canada. Let me prove that now by saying that not only have we the largest paper mill, but it is manned by men who have made it the mill with the greatest production record. In that plant we have another mill, not as large as the first one I mentioned; but, taken together, these two mills have the greatest production of any two paper mills in Canada. I know there are plants with more mills, but I would take off my hat to the men who man these. They work harmoniously and, I am told, are well paid. An hon. member who occupies a front seat in this chamber is president of that company. He has exercised his own wisdom and intelligence in its operations, and is doing a good job.

At the lakehead we have a growing interest in farming. It is all very well to make a statement, but it is much better to offer proof. We have potato clubs of 500 bushels to the acre; and if anyone would care to look at the picture I now hold in my hand he would see the picture of a bachelor who raised 733 bushels to the acre of Chippewa potatoes. Is there any other man in the house who will

stand in his place and tell me of any other farmer in Canada who raises 733 bushels to the acre—and, oh boy, they are clean potatoes; not a spot on them!

A contest among thirteen growers in that area showed an average yield of 350·8 bushels to the acre. Surely that is a clear indication of progress. This is an indication of hard work, particularly in the instance I have outlined, where a man did not have someone at home to cook his meals for him and to cheer him when he returned home, tired.

I am greatly pleased to note the progress being made in connection with the trans-Canada highway. At this moment there are in Toronto delegates who are trying to convince the provincial government on certain points—and we believe that, at least up to this point, the government is open to conviction. Those delegates are backed by myself and by others who know the conditions. We believe we should have a lakeshore route, down through Nipigon, Schreiber and Sault Ste. Marie. In our view this would offer one of the greatest tourist attractions in Canada.

The editor of the Fort William *Times Journal* says this:

> For decades while roads were being constructed from south Ontario into northeastern Ontario, northwestern Ontario has been left to constitute a gap impassable by motor car.

There are many people in the east who think we have only a backwoods city, that we are out in the bush and not worthy of consideration. Just a short time ago there were some at the lakehead who thought we should form another province. They made quite a noise about it, and I think they made some headway, because things are now moving. It is our belief that this road would be one of the finest attractions for tourists from the east. Those who make the trip to Fort William will see the beauty spots around there; and having eaten lake Superior trout they will be convinced that the trip was worth the effort.

If the route goes through as suggested it will mean that Fort William will be only 600 miles from Toronto, and Kenora 850 miles from Toronto. People will take great pleasure from travelling that route, and seeing what it offers. It is our view that it should follow the north shore, because there are the towns which must be opened up, and many attractions are offered.

Let me state briefly why farming is developing at the lakehead. First, we have several graduates from Guelph. Secondly, we have the services of a most efficient man representing the agricultural interests of the province. Then, thirdly, we have an experimental substation in charge of an outstanding farmer expert who goes throughout the country giving advice to farmers concerning matters of fertilization, grazing and other features of this occupation. The result is that work on the farms in that area is growing.

May I turn now to our needs, and state that there are still some things we require, not only from the provincial but from the dominion government. My first suggestion is that the Canadian National Railways should have at our airfield an administrative building. The office staff of the board of transport commissioners is now housed in accommodation which, from the standpoint of health, is unfit for their purposes.

Secondly, we require a protective building at the Canadian National Railways yards at Neebing and Port Arthur. Anyone living in Port Arthur or Fort William in January who had to go out to repair cars in winter temperatures ranging from 15 to 40 degrees below zero, with a northwest wind blowing, would wonder what is the matter with the C.N.R., when the C.P.R. rolls a car into a building in which the men may work. Thus they are able to do much better work and under healthier conditions, with less danger of frostbite. The need for protective buildings is as great in Fort William as it is in Port Arthur. We know, too, how difficult it is to work in hot weather, without some protection.

Large quantities—hundreds and hundreds of carloads of the finest hematite iron ore—are coming down from Steep Rock, with the result that the cry at the lakehead is for the construction of a smelter. Here, again, wise men from the east say it would not pay. Perhaps it would not pay the men who want to have the plant in the east; but we say it would pay anyone who would undertake to build a smelter at that point. We are told that our ore is of such high quality we can sell it to others producing lower grades of ore, so that it may be used for mixing purposes. Then, after the mixing process has taken place, they would sell their ore back to us, and a profit can be made. But in our view that is not good enough, and offers only one more reason for our having a smelter. I am sure when the Minister of Trade and Commerce (Mr. Howe) gives further thought to the matter, in addition to that he has already given, he will see to it that we have a smelter.

There is an agitation afoot for a public park at Mount McKay. We want a skyline road. We already have one road, but we need one coming in the other way from the Scott highway so that those who travel it may look back and see all that beautiful country. Reaching Mount McKay, the whole

panorama opens out to one's view, and offers the greatest scenery in Canada; there is nothing to surpass it in this country.

I come now to the Shebandowan district, which is said to have many varieties of ore, including gold, silver and platinum. I shall not attempt to mention them all because of the danger of confusion. The fact remains that the Shebandowan area offers many varieties of ore. Last year I placed a resolution on the order paper asking that the men who had patented their claims should receive some assistance from the then department of mines and resources. I suggested that they be given a drill, that tests be made, and that the costs of such operations be taken from the receipts from production. We have in the Shebandowan district a district which offers outstanding possibilities for the future.

I should like to say a word on unemployment. If there is one thing that we think we should not have in Canada, it is unemployment. It is all a matter of planning. Something will have to be done at the lakehead to plan so that the seasonal workers will have work the year round, although I admit that that will be difficult. I notice the Minister of Labour (Mr. Mitchell) is proposing an amendment to the Unemployment Insurance Act. The act should be extended and this amendment will do considerable good.

The labour unions of Fort William are doing a great job. I take my cue from them when I say that if all trade unions in Canada were like them there would be greater harmony in labour relations. Many of the officers of the labour unions up there attend their churches on Sunday, the churches which their fathers and mothers taught them to worship in. I venture to say that when labour realizes that in the Christian church they have an ally that has fought against monopolies which would crush the workingmen, when labour and religion are ready to work side by side, greater security will be achieved.

We have a splendid example in the former prime minister. An English member of parliament once wondered at his good judgment, but I want to say that anyone who begins his daily task by reading a chapter from the old book and taking the Master Workman as his guide will not be afraid of anything. Such a man will be able to stand on his own feet and think for himself.

I should like to speak at greater length but there will be other opportunities. If any hon. members feel like visiting the beauty spots at Fort William they will soon have an opportunity when the trans-Canada highway is completed.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, after listening to the debate so far, and particularly to government members, I begin to wonder whether I live in the same country as they. I get around quite a lot when the house is not in session. I held a lot of meetings and I met a lot of people since we were here last. Many of the statements I have heard so far in this debate certainly do not sound like the things I heard outside. It may be that other members do not get around as much.

My impression of conditions in the country today is reminiscent of 1939. I definitely get the same feeling. Pretty much the same conditions are developing outside and pretty much the same attitude prevails in the house. There seems to be apathy; we are going to do it tomorrow. We have to start to plan, as the last speaker said, but I thought the planning was all done. There are one or two things on which I should like to focus attention and I do this because of their immediate urgency. The time has passed for talk. I think the time has come for action in connection with the matters to which I am going to refer.

First, I am going to deal with the means test. I think the time has passed for talk on this particular matter. We have been talking about it ever since I came into the house. The last speaker said that he was pleased to see a reference in the speech from the throne to the abolition of the means test in connection with old age pensions. The hon. member must have read a different speech from the one I read because there is no reference to that in the speech. I think what the hon. member is referring to is a resolution that is now on the order paper. The speech from the throne is a forecast of the legislation which the government is going to present to the house and for the benefit of the last speaker I would say that there is no reference in the throne speech to the abolition of the means test, which would indicate that the government is not going to do anything about it.

We should not kid ourselves about the value of a committee in connection with a matter of this kind. Anyone who has been in the house for any length of time realizes that when the government wants to shelve a hot potato it is passed over to a committee of this house to talk about, to write a report on it which is then put in the archives to gather dust. But in the meantime you cannot say much about it because a committee is to handle it.

I am rather surprised that the Minister of National Health and Welfare (Mr. Martin) should have placed this resolution on the

order paper at this time. I thought he was a better politician. In the near future I expect that that particular thing will boomerang on him pretty badly. Many hon. members remember the issue as to the maintenance of price controls. The same Minister of National Health and Welfare was the chairman of a committee that was handed the job of getting all the facts on that matter and making recommendations to the house. In the meantime price controls went down the drain, the report was written, and I think I am safe in saying that seventy-five per cent of the members of this house never read it. Nevertheless it was a way of getting clear of an obligation which the government should have assumed, and I am afraid the same thing is happening in connection with the abolition of the means test.

Yesterday the Prime Minister (Mr. St. Laurent) referred to this when he said that it was part of the program for the institution of old age pensions on a contributory basis. However, that has been part of the program for a long time. I remember reading it first in 1919 when it emanated from a convention of the Liberal party which was held in that year. There have been two wars since that time, the world has been torn to pieces, conditions have changed drastically, and as far as they have gone with that pension program is for the Minister of National Health and Welfare to place a resolution on the order paper to pass it over to a committee to study the matter and make a report to the house.

I have seen this done several times in the past. Questions have been shelved and taken out of the realm of public discussion and then nothing has been done about them. Something should be done at this time about this matter. The argument will be advanced that it will cost more money, but I do not think anyone should get up in this house and talk that way any more. We can remember when prior to the war that was the stock argument against many questions that were raised—where will we get the money? But it did not take very long to find where to get the money when war broke out. We were able to take the jobless off the streets and put them in uniform; we were able to provide the planes, tanks and all the rest of it. That money is still around. It is a question of the members of this house, regardless of the section they may represent, having the courage to stand up here and say this is a job that should be done. This is not a question of planning and that kind of stuff; it is a matter of honesty, of having the courage of your convictions, of taking your position in this house and saying that the means test in connection with old age pensions is one of the greatest blots on the history of Canada today, that it should be removed, and as far as we are concerned we are going to see that this is done.

The money is there. Put on the excess profits tax again, perhaps fifty per cent lower than it was during the war. You will get sufficient money to pay the old age pension without the means test. Why all the argument about it? The little bit of money that would accrue to old age pensioners as additional income would merely create additional purchasing power in the hands of Canadian citizens. It would only provide the necessities of life, but it would stimulate your machinery of production and provide additional markets. Right today we are screaming about markets for our products. Here is an internal market that we can create, and all the money will travel back to where it first came from.

It is a lot of nonsense to talk about appointing a committee to study the matter. Surely the members of this house have as much courage as some of our big industrialists. I have on my desk a letter written by the president of Dominion Steel and Coal, one of the greatest employers of labour in Canada. No other corporation in this country employs as many people as does Dominion Steel and Coal, with all its ramifications across the country. The president of that organization, speaking on behalf of the coal company and its subsidiaries, stated definitely just a few weeks ago that as far as his company is concerned it believes the means test should be abolished immediately. They have a non-contributory industrial pension scheme of their own. It does not amount to very much, perhaps $30 a month to a man who has been employed for forty years and who retires at the age of sixty-five, but it is something. But because a man has that little pension, given through the charity of that corporation, it militates against him in obtaining the old age pension that is paid today. So the president of this company thinks it is unfair and unreasonable, and that the means test should be abolished. Surely the members of this house are just as humanitarian as the president of Dosco. That company is a big taxpayer, but the president of the corporation says the means test should be abolished. There is no necessity for taking it over to the railway committee room, calling in experts and so on. We have done that sort of thing year in and year out. The necessity is there; the money is there; the people of Canada are demanding it. I think it is time the members of this house said, "We are going to vote for it and authorize the government to do it," because if this country cannot afford to provide its aged people with the bare means of subsistence we have no right to say that we are a great nation, that we are

able to face the future and work out our own destiny. That is one problem that can be solved and should be solved without further delay.

One of my main reasons for saying this session was reminiscent of 1939 is the unemployment situation. I remember that in 1939 and early 1940 you could go to Toronto and see the missions and church basements packed with unemployed. On the front page of today's *Globe and Mail* there is a picture of a few hundred of Toronto's unemployed huddled together in a basement mission. It was ten below zero outside when that picture was taken; they had no place to go, so they gathered there; and that situation is general across the country. We have 375,000 unemployed registered with the employment service, and the unemployment problem is serious. I am reasonably sure that another 100,000 could be added to the number of which the national employment offices have a record.

We should not start planning now to deal with this situation. I thought the planning was all done. During 1942 and 1943 a large committee of this house—again a committee—was set up, called the reconstruction committee. The members were serious; they were hard workers, and did a good job. We went all over Canada, taking industry after industry and making a survey of the possibilities of employment in the post-war period. We had before us the heads of the construction industry, and all large employers. They went to a great deal of trouble; they prepared briefs, and we blueprinted the employment possibilities in all our major industries. We had the labour bodies, the chambers of commerce and all the others, and they all submitted briefs. After that the federal government probed the possibilities of public works projects. A report was made to this house containing a blueprint of public works projects right across the country. That report was adopted unanimously. The policy of the government announced at that time and repeated many times later was that they would assist private industry in any section of the country, but that where private industry failed to solve the problem of unemployment and a higher standard of living the government would step in and supplement private enterprise. That planning was done; the blueprints were there, but they went to the archives and now we are facing what we planned against at that time.

There is no use planning unless you put your plans into operation. Yesterday I listened to the Prime Minister (Mr. St. Laurent). I was rather disappointed when he said the unemployment was seasonal, that it was regional and temporary. He went on to say that all the plans that had been made, including the shelf of public works to take up the slack of unemployment, had been practically thrown overboard, and that they could not do all the things they would like to do because they did not want to come into competition with private enterprise. The picture today of the developing unemployment problem shows clearly that private enterprise has fallen down in certain fields. The government program was intended to supplement private enterprise where it was not doing the job, which was to bring about as nearly as possible full employment. That program is gone. The shelf of public works is gone. After listening to the statement of the government's position by the Prime Minister I am afraid the problem is going to continue to grow. The government has nothing in mind to offset this increasing unemployment, and there is concern right across the country.

I am very disappointed that the government is not going to do anything to improve the situation. With regard to both these matters, the means test and the increasing unemployment, thousands of cards, letters and resolutions are being showered upon the members of this house. As far as the government are concerned, however, we have no program to deal with either of these matters in the immediate future. The speech from the throne says the government is going to broaden the scope of the Unemployment Insurance Act. That is no solution. They may take in the lumber workers, as they should have done long ago. They may extend it to other groups, but those other groups will have to make 180 contributions under the act before becoming entitled to relief, so that is not much of a solution.

Seventeen per cent of those 375,000 unemployed in this country today are without any income whatever. Seventeen per cent of them are not receiving benefits under the Unemployment Insurance Act. As the front page picture in the *Globe and Mail* indicates, they have no place to go, no place to sleep and don't know where breakfast is coming from tomorrow. It is difficult to make that person understand he is considered regional, temporary and seasonal. All he understands is that he has no place to sleep, and no breakfast tomorrow morning. These men are human beings. Every one of them is affected just as we would be. It would be cold comfort to read in the press that the official attitude of the government is that you are only regional, and seasonal. You have no feelings. We have no plans to do anything for you. I believe immediate relief should be made available to the municipalities.

In my part of the country we have not the highest, but close to the highest, unemployment in Canada. Ten per cent of our total labour force is unemployed. It is not seasonal, it is permanent. This situation will remain until the government has some definite plan for the establishment of a small subsidiary industry in the maritimes, and the restoration of some of the markets, particularly in New Brunswick, that were lost because of the mix-up in international marketing. The situation in the maritimes is not seasonal, it is permanent. The thing to do is to immediately find the spots where the problem is serious, such as Toronto, and then the federal government should make available the Unemployment Relief Act, at substantial rates, until such time as the unemployed find gainful employment.

It is rather frightening when you think that we have just come through a major conflict. The unemployed in Canada were the ones who fought it. A few years after their return, with a threatening international situation and the possibility of another war, whom do you think those fellows are going to shoot at the next time? They have had one experience. They are human, and many of them are the boys who came back from this war. Rather than take the complacent attitude we have taken on this question, the federal government, the Minister of Labour (Mr. Mitchell), or his assistants, should announce that in sections in which there is a large percentage of unemployed not in receipt of unemployment insurance benefits, relief will be made immediately available. This would provide them with shelter and something to eat until such time as they could find employment. Serious repercussions will be forthcoming from this situation unless something like that is done.

The main point to which I wish to address myself this afternoon is the question of the Canadian National Railways and its purchasing policy in the field of fuel. I am sorry the Minister of Transport (Mr. Chevrier) is not in his seat. Theoretically, the Canadian National Railways is the property of the people of Canada. Any time anyone outside this house criticizes the Canadian National, it is always characterized as a government operation. It is a good example of government management. You pay a large deficit each year, and it is attributed to mismanagement, or something of that sort. I am glad this controversy came up because it at least gives us a chance to do one thing.

When the Minister of Transport made his statement to the house on February 17, there were one or two significant paragraphs in it on that particular point of government management. I am going to read that back into the record. It will be found on page 23 of *Hansard* for February 17. He said:

> Since the reductions were announced, officers of my department and myself have been in constant touch with the management of the Canadian National on this question of coal supply. I have asked the new chairman and president, Mr. Donald Gordon, to give me a memorandum setting out in detail the events—

And so forth. The minister said that prior to the reduction in services of 25 per cent, neither he nor the government had been consulted by the board of directors of the Canadian National Railways. Does that sound like government management? Does it sound like a government-operated road? So far as this house is concerned, the balance sheets are brought before us once a year, and the minister asks for the necessary funds to wipe out a large deficit. That statement clearly indicates that the president and board of directors operate the railroad as they see fit, without any consultation with the minister or the government. I believe that is slack business. I am not blaming the Minister of Transport for that, because the government as a whole has to take the responsibility for the actions of any of its ministers.

In view of the minister's position, one would have thought that before such a drastic step was taken by the board of directors they would at least have called in the minister and asked for his advice as to whether or not the reduction should be made. The minister says they did not do that. I am not blaming the Canadian National Railways for that. I am blaming the government, the cabinet as a whole, for not having the necessary foresight to compel the management to consult with the Department of Transport if and when difficulties arise that warrant public attention, and particularly such a difficulty as this which so seriously affects the public from one end of the country to the other.

This afternoon the minister read statements from Mr. Vaughan and Mr. Gordon. Mr. Gordon's statement clearly sets out that the blame for the present difficulties of the Canadian National rests with the United States, because of the disruption in coal mining; that is his alibi. In another letter Mr. Vaughan states that the trouble is in the United States. Contracts were made for the delivery of certain American coal, and if that coal had been available for stockpiling purposes no trouble would have been experienced. Again, the blame is laid over in the United States. This situation was well known to the government some time ago, or at least to the Minister of Trade and Commerce (Mr. Howe). I am sorry he is not in his seat this afternoon. According to the press, he is roaming around Rome.

It appears that the Minister of Trade and Commerce is able to see what is coming, but he seems to be powerless to influence anyone in the government to do something before it hits us.

Mr. MacInnis: Leaving out the Minister of Justice (Mr. Garson).

Mr. Gillis: I am not going into that now. I have a copy of a statement made by the Minister of Trade and Commerce on February 13, 1947, during a speech to the Empire Club in Toronto. This article appeared in the Toronto *Star*. It reads as follows:

"Mr. Howe noted the United Kingdom's plight today as what would result from even a temporary shortage of coal without constant vigilance on the part of those responsible for our continuing coal supplies. Canada may yet be in a similar position. Our coal industry has a responsibility to the nation of no small magnitude," he said.

"The maritime situation," he said, "has presented an increasingly difficult and distressing problem. Unless the problems facing the industry are quickly solved the industry is headed for disaster."

But the Minister of Trade and Commerce (Mr. Howe) in 1947, looking at the fuel situation in Canada, told the Empire Club what could happen in this country in the event of a shortage of coal. I think every member of this house realizes what could happen if coal supplies from the United States were completely cut off. Industry in this country could be closed off, and the railways could be stopped; we depend to that extent on United States fuel.

The point I want to make is that this situation did not creep up overnight on the Canadian National Railways or the government. They were watching the coal situation in 1947. The Minister of Trade and Commerce knew what could happen, but nothing appears to have been done about it.

Then again, I would ask hon. members to let their memories go back to the last session, to June of 1949, July and on to the end of the year. Hon. members will recall that I rose on several occasions and asked the Minister of Transport (Mr. Chevrier) why some of the coal mines in Nova Scotia and New Brunswick were not operating at all at the time, but were shut down completely, and why others were working part-time. Hon. members will recall the answers we received at that time. As indicated this afternoon by the hon. member for Inverness-Richmond (Mr. Carroll), when he pointed the matter out to the Minister of Transport, a coal contract in the maritimes between some of the small operators and the Canadian National Railways, for 65,000 tons of coal a year, was discontinued last June when this situation was developing, and these mines were idle.

The alibi given to us at that time by the Minister of Transport was that the railways were not using as much coal, and that was why they were not taking the coal from the maritimes operations. The reason they were not using as much coal was that it was a mild winter. That was rather nonsensical, was it not? It would take as much coal to run an engine in the summer as it would in the winter. But that was the excuse given at that time.

This afternoon the minister says that if our contracts had been filled and our stockpiles kept up we would not have had to curtail traffic. The answer that Mr. Vaughan has to give to this house, as far as I am concerned, is why they did not get their stockpiles and keep them up from mines in the maritime regions that were close, economic and available to them and why their stockpiles were not built up there when mines were working half-time in that area. He has to answer that question, and he has not answered it yet. There is no excuse for the answers we have received from both Mr. Vaughan and Mr. Gordon on this particular question. They are ducking the issue. The whole thing adds up to a faulty fuel policy on the part of the federal government and no policy at all on the part of the Canadian National Railways, except to market United States coal.

There is no excuse at this time for the curtailment of traffic by twenty-five per cent in the maritime provinces. As to the minister's statement that we had to hit everyone in the country to the same extent, in order to equalize the situation, that is nonsense. Why should you have curtailment of services where coal is available either in the west or in the east? I can understand it in central Canada where the railways depend completely on the United States for their fuel.

Yesterday, in a short answer to me, the minister indicated that coal was not available in the maritimes. We have a dominion coal board, and the function of that board is to provide subventions, allocate markets and all that kind of thing. They have that authority under the act that sets them up. The member on that dominion coal board who represents the maritime provinces, clear of the operators, is D. W. Morrison. Just a few days before this house opened, in commenting on this particular question of the availability of coal in the maritimes, Mr. Morrison as a member of the coal board stated that there was no shortage of coal in the maritimes, but that plenty of coal was available. The head of the Dominion Steel and Coal Corporation, when questioned, made the same statement, namely, that there was in the maritimes plenty of coal available to the Canadian National Railways

if they wanted to accept it. The minister of mines in the provincial government of Nova Scotia—and he would not be a propagandist against the government or the Canadian National Railways; he is a good Liberal minister—made a statement on the question also, and he was much more emphatic about it than either the coal board representative or the head of the coal company. The statement is quite a lengthy one, but I shall quote only briefly from it. It is taken from the *Post-Record* of Sydney, Nova Scotia, of February 1 and reads in part as follows:

> Mr. MacKinnon said it was "hard to understand" the claim of Canadian National Railways that train services had to be curtailed because of coal shortage.
> In 1945, he said the C.N.R. used 122,000 tons of Canadian coal in central Canada and in the same year 7,296,000 tons of U.S. coal. The situation today was fairly similar.
> The C.N.R. got most of its coal in Ohio.

And so on. He is commenting on our complete dependency on United States fuel and he goes on here to make a strong statement—I do not want to take up the time of the house with it—against our present fuel policy, if we have any. All of this argument of Mr. Vaughan and of Mr. Gordon has been completely knocked into a cocked hat by people who sell coal, who say that coal was available in the maritime region particularly.

There is no excuse for the present situation. Better excuses than those offered by the minister must be found. The matter should be no mystery to this house either, because time and time again I have risen in my place in this house and hammered away at this matter of a national fuel policy and the development of our own resources. We are only starting to get this thing working in the field of fuel, and as time goes on if we do not develop our own resources we are going to have much more serious repercussions than we are having at the present time. John L. Lewis, the disrupting of the industry, and his quarrel with the operators is a problem that belongs to the United States government; but the problem of keeping trains running in this country and supplying our industries with fuel is that of the Canadian government. If the Prime Minister and the members of this house are going to depend exclusively on private enterprise to do the job, then we are going to have just what we have at the present time; because, as far as I can see, the fuel policy of the Canadian government and the Canadian National Railways has been to market United States coal.

It is hard to understand how a government-operated road would buy the major portion of their coal in the United States, in Ohio and West Virginia, transport it all across the country and stockpile it down in Campbellton, New Brunswick; yet within a few hundred miles there is plenty of coal available in Nova Scotia and New Brunswick to operate that end of the system.

The question of competition comes up. Well, the United States certainly cannot compete with maritime coal in that particular region. They can compete to some extent in Quebec. We cannot compete with them in Ontario. Year in and year out I have emphasized the necessity of the government formulating a fuel policy, whereby the markets for our own coal within Canada could be made available to our own production. This whole question of the problem of the Canadian National Railways certainly places it in focus. We have been losing money. The Canadian National definitely must have been paying more for United States coal in that area than they would pay for maritime coal.

This whole question of the curtailment of traffic by the Canadian National Railways should be gone into because the Minister of Transport (Mr. Chevrier) and Mr. Vaughan, the former president of the Canadian National Railways, have got into a press controversy on the matter. I saw one statement by Mr. Vaughan in which he took the minister to task for the first statement that he made in the house. The matter of whether the Canadian government has anything to do with the management of the road should be ironed out. If the board of directors of the Canadian National Railways can take the kind of action that they took without reference to the minister or to the government, and affect the whole system, as they have affected it, then I think it is pretty near time that the House of Commons found out something about it. We have a standing committee of this House of Commons known as the committee on railways, canals and telegraph lines. I believe that committee should be set up and called together immediately. The heads of the Canadian National Railways, Mr. Vaughan, Mr. Gordon, and others concerned in the question, should be examined before that committee of the House of Commons. That is their job. A policy should be devised under which the kind of thing that has happened would never be permitted to happen again.

I always try to boost that road; I travel on it as much as I can. I assumed that it would belong to us, and as such it should be patronized by us. Every bit of business that we can give to it we should give to it. But I am certainly not satisfied with the kind of management that can run this thing by remote control without any reference to the government or to the minister. I am seriously suggesting to the minister, Mr. Speaker, that

that committee be set up immediately. It should be convened for the purpose of having a thorough investigation into all the factors leading up to the present difficulties on the Canadian National Railways.

Mr. Sinnott: I wish to ask the hon. member a question. I have listened attentively to him and I should like an explanation of one remark he made. He referred to the boys who went overseas in the last war, and spoke of those who were unemployed at the present time. He then asked this question: If there was another war, whom would they shoot at? I should just like to know what remark he was casting?

Mr. Gillis: I was not casting any remark; I was making a statement based on some understanding of human nature. My observation was this. You were unemployed previous to the first war. War broke out. Lots of money was found to put you in uniform, and you went over and fought and went through a lot of hardship. A lot of promises were made to you. You come back and you are sleeping in a soup kitchen again. Another war breaks out. It is threatening and could break out. If another war breaks out what do you expect that boy to do who is sleeping in the soup kitchen for the second time in his lifetime? I do not know whom he would shoot.

Mr. Sinnott: I suppose the hon. member—

Mr. Speaker: Order.

Mr. Sinnott: —knows that there are those who save their money and those who do not. There is a big difference.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I believe we have all enjoyed the session up to the present time. I am afraid however we all feel very much as the hon. member for Cape Breton South (Mr. Gillis) has expressed himself, namely, that we are just getting ready for another period of inaction similar to that which laid a blight upon the house in 1937, 1938 and 1939. We could talk in those days about anything and everything except something that would do us some good. Today it looks as though we are getting ready for the same sort of thing unless somebody drives us into war and makes us do something.

The Prime Minister's speech is to be commended because it faced facts. I think he was quite honest in his general approach. He was at a disadvantage, because he had to begin to explain why all the glowing promises which were made across the country by everybody on the Liberal side have begun to fade already. For example, people had the idea given to them everywhere during the election that all people had to do was to get this wonderful Liberal party in and there would be floor prices for all agricultural products. The other day, I understand, someone said, "Well, it must be borne in mind that floor prices can be in the basement just as well as up where you would naturally expect them to be." I could spend quite a lot of time discussing this kind of betrayal which the Liberal party has been guilty of ever since 1935, but I do not think there is much use saying more about it at the present time. The Prime Minister had to bear the brunt of all that.

Of course someone will say, Why did the people elect them again? Well, one good reason is that the Liberal party has a remarkable capacity for propaganda. It seems to have limitless funds and limitless influence over the press. Then generally speaking, I imagine the people look upon the Conservative party as just a pale-faced Liberal party, a second one, so that there is no use trying to get anything done through Conservatives. People are mortally afraid of the C.C.F. because it seems to mean so many things. They have not yet learned that if they want genuine honest-to-goodness government from a people who will keep their promises they must elect Social Crediters.

Mr. Graydon: Don't be so modest.

Mr. Blackmore: Well, we have a wonderful example of what a Social Credit administration will do and can do. The example is in Alberta. Those who treat Alberta lightly just do not know Alberta. Judged by every standard the work that has been done by Social Credit in Alberta is a magnificent job, and anyone who does not really acknowledge that—

Mr. Whitman: Does not know Alberta!

Mr. Blackmore: —either does not know or is not honest, one of the two. The Prime Minister (Mr. St. Laurent) was, as I have said, at a serious disadvantage. In his speech there was little or no hope for any solution of the problem of markets outside Canada, or increased markets inside Canada. There was no hope, worth speaking of, for solving the problem of the cost of living, which is almost crucifying our people from coast to coast, right now. There was no real hope for security of employment.

As I have also said, the Prime Minister faced some facts. But I would hope he would be prepared to face a great many more. He went down the other day into the United States and delivered to the people of that country a speech which, in the light of all facts, was absolutely impudent. He was talking to a people who have grown into a great

power on this continent, through generations of developing the ability to produce their own supplies of goods. He went down there and advised them to discontinue that policy, so that they could help us out. How far his suggestion will get, I do not know; but I do not imagine it will be very far. I should like to spend some time discussing the matter, but I shall defer it to some future occasion.

Suffice it to say that in a broadcast in October, 1944, Mr. Roosevelt said that he meant to find jobs for 60 million Americans by trebling the exports of that country abroad. Then this Canadian Prime Minister goes to that country and asks President Truman, the successor to President Roosevelt, to decrease exports abroad. It is pretty hard to get much sense out of that.

The Prime Minister at one point in his speech on the address placed great confidence in the Minister of Trade and Commerce (Mr. Howe). I am glad he did. It seems to me there are those in the house who would appear to endeavour to undermine that great Canadian. They need not undermine him, because he is not to blame for the troubles of this country. He has done a magnificent job wherever he has had the chance to do it, and has been given a free hand. Let us spend our time on someone other than the Right Hon. C. D. Howe when we wish to lay the blame.

The Prime Minister made two statements which pleased me. Speaking about the Minister of Trade and Commerce (Rt. Hon. C. D. Howe), and quoting himself, he said this:

> He knows the problems are still thorny and there is no easy solution—but I will venture the prediction that if Mr. Howe and those who are working with him don't find a solution, there won't be one to find.

I will say this, to qualify the Prime Minister's general remarks, that if the Right Hon. C. D. Howe and those working with him do not find a solution, it will probably be because there are restrictions placed upon them which prevent their doing the things their native intelligence and understanding would prompt them to do. The Prime Minister later said:

> In those statements I said it was a serious problem but I did not believe—and I do not believe—any man in Canada is better qualified to handle it than the Minister of Trade and Commerce.

I am not sure about that; I think I could find several men who have the vision and understanding which would enable them to know what to do without having to learn it, as I fear Mr. Howe will have to do. But they would not be able to do it if the present Liberal government were in charge, telling them how far they could go and how much they could do.

[Mr. Blackmore.]

There is a solution to the trade problem, beyond question. Whether or not Mr. Howe will find it will depend upon several things. Meanwhile I should like to ask the Prime Minister this question—and I wish he were here, because I think the Canadian people deserve an answer to my question: Would the Prime Minister give the Right Hon. C. D. Howe a free hand if he were to come to the Prime Minister and were to say, "Mr. Prime Minister, after the most careful study of everything pertaining to our trade problem, I have become convinced that the only means whereby that problem can be solved is through the principles of social credit".

Some hon. Members: Oh, oh.

Mr. Blackmore: Oh yes, we hear the silly laugh. These people would sit over there, and see us go right down into the depths of a depression 75 per cent worse than the one in the thirties. They would still shrug useless shoulders and wring helpless hands; they would still refuse to listen to anyone who knows what to do, and would continue never to give any suggestion, themselves, what to do. I have watched such people for fifteen years, all Liberals. I know what those men will do. They do not know anything, and they do not want to know anything. All they can think about is promises.

Mr. Hansell: All they can do is giggle.

Mr. Blackmore: Yes. Another question is this: If the Right Hon. C. D. Howe came to the Prime Minister and asked for permission to employ social credit principles and the Prime Minister in turn came before a caucus of the Liberal party and asked permission, what would Liberal members do? I wonder how long their confidence in the Right Hon. C. D. Howe would last? I wonder how long it would be before they demanded his resignation?

An hon. Member: Let us get back on the rails.

Mr. Blackmore: We are just exactly on the rails, and the hon. member will understand that, if he will give it some thought instead of giving quite so much thought to politics. The point is that someone has to find a way out of the difficulty; someone has to suggest a means of solving the American dollar problem and the Canadian dollar problem, so that we can sell a greater quantity of goods to Great Britain.

Up to the present time there has not been any hint of a solution of that problem, or anything looking like a solution from anyone in the Liberal party, or, indeed, anyone from the Progressive Conservative party.

An hon. Member: What about the Social Credit party?

Mr. Blackmore: Social Credit literature is full of it; and if the hon. member will look into it and prepare himself he will understand it. He cannot if he does not prepare himself, any more than he could understand algebra if he did not give it some thought.

What answer would the leader of the official opposition give if he were asked the same question about using social credit principles by the Right Hon. C. D. Howe? I wonder how long the Minister of Trade and Commerce would last before him? I imagine it would be just a little bit shorter time than he would last before the Liberal party.

It is too bad one has to say this about the Progressive Conservative party, but one hears long speeches, as we did yesterday from the leader of the opposition (Mr. Drew),—excellent, beautiful, sonorous speeches, delivered with great dignity, and all the rest of it. They make a fine appearance—but there is not one single hint of what to do about our problems, not one single suggestion that they really understand what is wrong. I say we have a right to a little more than that.

If the Prime Minister were so courageous as to give Mr. Howe the green light as regards Social Credit, as I have suggested, I am wondering what the Department of Finance would do? Would they co-operate with Mr. Howe? These questions must all be answered before all the talk about solving our problems can mean anything at all.

Here we are with thirteen and a half million people, one of the richest countries on the face of the earth in resources, human and material. We have a fine accumulation of capital in our railroads, our banks and our industries. We have everything that it takes to manage this country and make it a country in which everybody would be happy to live—everything except just a little bit of common sense.

Anyone must realize that when people are living in a very rich country and are mortally afraid of increasing production beyond a certain point for fear prices will go down and everything come to ruin, then there must be something fundamentally wrong with their thinking—when it is believed that the more production you are capable of, the worse off you will be and the more you will have to worry about. Whenever the Liberals get to feeling that they can make light of what other people say, in such a situation, the time has come for them to tackle the problem themselves in the dark hours of the night until they reach a solution. It just does not make sense to do otherwise.

I hope hon. members will tolerate me when I put forward a supposition that is rather far-fetched. I am going to suppose that the right hon. Minister of Trade and Commerce (Mr. Howe) would come to the Prime Minister (Mr. St. Laurent) as he will have to when he gets all the facts. He comes to the Prime Minister and says, "I have been giving a lot of thought to the problems which confront us, to this shortage of dollars that is everywhere apparent within our own country and out of it, to the fluctuation of prices and the general dangers, and have come to the conclusion that there is only one possible solution, the solution which the Social Crediters offer."

An hon. Member: That is far-fetched.

Mr. Blackmore: I said it would be, but it is correct. It is just as correct as the radio was correct 75 years ago, but hon. members of that time never knew it. He would say, "I find that Social Credit means the use of the full productive capacity of the community working together to produce desired goods." Then the right hon. minister would go on to say: "Full production requires that money shall be the servant of the producers. In other words, when a farmer wants to produce sheep and the nation needs sheep, he could get money to produce sheep. Full production requires that the consumers shall be able to consume our production as well as what we trade our production for."

"This means that money must also be sufficient in the hands of the consumers as well as in the hands of the producers. The key to our problem then must be money."

"How would Social Crediters proceed if they were dealing with the complex problem with which we are now confronted? A Social Credit administration would accept as a definite principle of national policy that the Canadian finance department would create debt-free Canadian dollars sufficient to enable consumers to consume Canadian production." There should not be any serious objection to that, should there? If we create dollar bills to lend for production, why not create them to be put into circulation to consume our production?

An hon. Member: What about wheat?

Mr. Blackmore: The hon. member will remember that I said what we produced or what we exchanged our production for, although he may not have caught that. If we cannot buy all our wheat ourselves we cannot buy the goods for which the wheat is traded when they get here. That is quite obvious and I am sure the hon. member sees it.

Social Crediters would lay down the fundamental principle that if the government can create a dollar bill to put into a person's hands as a loan for production, it can just as easily create a dollar bill with which to pay a pension to consume goods. If it is possible to create dollars to produce Canadian production, it is possible to create dollars to consume Canadian production.

A Social Credit administration would bring down living costs by what Social Crediters call a compensated discount. In effect such a device amounts to a consumers' subsidy scientifically computed from period to period by the employment of a formula based upon the demand and supply situation currently prevailing within the nation. The money would not be taken out of taxation.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Blackmore: Before six o'clock, Mr. Speaker, I was discussing the solution of our trade and marketing problems. I had suggested that the right hon. Minister of Trade and Commerce (Mr. Howe), in seeking their solution, had satisfied himself that the only possible method lay in the adoption of social credit principles. I was supposing that he was telling his Prime Minister what a social credit administration would do and how it would do it. I had him saying that a social credit administration would accept as a definite principle of national policy that the Canadian finance department would create enough debt-free Canadian dollars to enable consumers to absorb Canadian production. Second, a social credit administration would bring down living costs by what Social Crediters call a compensated discount. Such a device in effect means a consumers' subsidy scientifically computed from period to period by the employment of a formula based upon the demand and supply situation currently prevailing within the nation.

I now have him proceeding with the third thing a social credit administration would do. That is, by various means resembling dividends, allowances, pensions and so on it would distribute to consumers additional purchasing power sufficient to balance consumption or effective demand with supply.

Then I would think the minister would say something like this: "Now, my dear Prime Minister, bearing in mind that the No. 1 problem of Canadians is to find markets for their products, any informed and thoughtful man must concede that the general idea and approach of the Social Crediters appear to be realistic."

"Many are averse to critically examining our money system; but why should we assume that our financial system is perfect? Everything else is changing. What reason can be advanced to suggest that our use of money needs no streamlining?" In the Bank of Canada report of February 10, 1944, Mr. Towers wrote:

> A working force of this size, at present rates of efficiency, will be able to produce a vastly greater volume of civilian goods and services than Canada has ever known before. By the same token, a vastly increased volume of consumption and capital development will be necessary if this output is going to be fully absorbed and high employment maintained. The adjustments required will clearly be of unprecedented magnitude, and bold planning on the part of labour, farm and business organizations, as well as governments, is urgently needed.

Why should we not expect to have to make in our financial system at least a few of those adjustments of unprecedented magnitude? Nothing in the report by Mr. Towers indicates that he would rule out adjustments in the Canadian financial system.

Careful consideration has been given to possible appropriate adjustments to be made in the Canadian financial system. In this connection an impressive pronouncement was made by Right Hon. Reginald McKenna, for years chairman of the Midland Bank in England. The statement appears in the London *Times* of January 30, 1936, in the course of a report to the shareholders of that bank. It reads:

> Additional currency, however, can now be furnished by the authorities, if they choose to exercise their powers without reference to the central bank's holding of gold. Thus the nineteenth century, which brought into general use a means of payment hitherto scarcely known outside London, brought also the machinery whereby it could be subjected to intelligent control.
>
> We learned that a shortage of money may be just as vicious in its effects as an excess, though deflation has still a touch of virtue about it in the minds of many people. Nevertheless it is becoming more and more widely recognized that greater productivity calls for an increased supply of money, for otherwise prices will fall, business will stagnate, and the growing productive capacity will be unused.
>
> For money to be truly "sound" there must be enough of it to finance an ordinarily growing volume of trade, yet not so much as to give rise to an inflationary movement of prices.

Those words raise this question: What have we Canadians a right to expect of our financial system? Most orthodox financiers would reply, "Well, we expect our financial system to give Canada a sound money system". Quite true. Very well; what is a sound financial system? What should it provide for a country? And is ours a sound financial system when judged in accordance with those requirements? I wonder if anyone

would disagree when I contend that a sound money system should first enable us to have money for public financing; second, money for all the production our resources render possible and our people need; third, for exchanging our goods; and fourth, for consuming our goods?

Beyond all question our system is failing to supply adequate money for consumption. Otherwise why should so many people be without the means of buying goods, and why should so many people who are producing be without the means of selling? Our system is resulting in a very serious debt burden. It is failing to provide our people with a standard of living commensurate with our productive capacity. To put it in another way, in Canada today the government has no means by which it can render financially possible what is physically possible.

These four deficiencies in our financial system constitute a severe handicap to Canadians. These deficiencies justify an exacting scrutiny of our financial system. It is time for the adjustments which probably were envisaged in Mr. Towers' report. The only proposals that seem capable of remedying these deficiencies in our financial system are those of the Social Credit party. I invite hon. members to examine the statements I have made, bearing in mind that no matter how many people were elected as Liberals on June 27 last the people of Canada have a right to expect that this parliament shall deliver the goods, and that it will find a solution to the vexatious world-wide problems now confronting us.

I am sure that all hon. members, who remember exactly what has been said and done up to this moment, will contend that we have fallen far shorter of the objective we ought to have than makes us feel comfortable. Is there some way out? I maintain there must be a way out because we have learned how to produce more goods than we can use.

If a realistic financial system were adopted, such as I have indicated but not gone into in great detail, it would make a tremendous difference to many problems with which we are confronted in our country.

In the first place, we could solve our international trade problem in this manner. We could create debt-free money in Canada, Canadian dollars which are necessary in paying for the things we desire to export, and which Britain and the other countries need. We could lend these dollars to Britain or other prospective customers to allow them to buy our goods directly. Some will say that does not make sense. If hon. members will read a fine document in the library entitled "The United States in the World Economy", they will find that the United States adopted a very similar lending policy in 1920. That policy was continued all through what was known as the roaring twenties, when the United States sold her goods with great success. In the process, of course, other nations incurred to her a debt that would never be repaid. Only when the United States ceased this foreign lending policy did the depression commence.

It can be shown that lending money to neighbouring nations to buy our goods has been practised time and again with great success, particularly by Great Britain. If this method were adopted, I shall not discuss the matter of repayment, but that could be arranged or the debt could be cancelled. The important thing is to sell these goods. Before anyone has too much to say, I should remind him that if he wants to ask any questions, that is all right. Do not say something that is going to reveal a lack of judgment. Before men have too much to say, just let them look into these matters. Read the book entitled, "The United States in the World Economy", and you will be greatly enlightened. You will realize that we are facing a problem similar to that which faced the United States in 1920.

If the advice which social credit has given were applied to our internal problems, it would result in increased consumer purchasing power. It would put the purchasing power in the hands of the people enabling them to buy the goods which the nation produces. This would result in raising the standard of living for everyone, and would provide markets. It sounds strange to those who have never thought about it before, but the further one delves into a study of it, the more convinced one becomes that the Social Crediters have something.

Now, what would social credit's use of this debt-free money do in respect to old age pensions? Last night the Prime Minister gave us a rather forbidding picture of what he expected would happen to us if we began to pay all the people over sixty-five $100 per month. The bill would amount to something over a billion dollars. Why worry about a billion dollars?

Some hon. Members: Oh, oh.

Mr. Blackmore: That sounds funny, but does it not sound ridiculous that a nation that is producing $16,500 million worth of goods in a year cannot provide a billion dollars for its aged people. Laugh that off. A nation that can produce $16,500 million worth of milk, butter, cheese, clothing, shelter, etc., cannot produce one and a half billion dollars for the elderly people! Such a nation needs

to have something done to its head. There is no doubt about that. What leads people into bewildered thinking is the belief that all the money we use to distribute goods has to come out of the taxpayer's pocket. This is not so, as the Right Hon. Reginald McKenna clearly indicates.

In respect of old age pensions, let me say that we would not pay them according to how much we could take from the taxpayer; we would pay them in accordance with the amount of goods we were producing. Certainly, if every person in Canada over sixty-five years of age were receiving $100 per month, it would represent an important factor in the event of the onset of a depression. If it could be done without increasing taxation, surely it is the responsibility of the members of this house to see that it is done.

Suppose we turn now to the Indian problem. I believe everyone in this house will agree that the aged Indian should be receiving an old age pension. Everyone agrees that we have neglected our Indians in the matter of education. Everyone agrees that there should be an Indian claims commission to give the Indian a fair deal such as he was promised by those with whom he made the first agreements a hundred years ago. Everyone agrees that the Indian ought to have the money with which to start out. Yet, in all these ways we are neglecting our Indians in a manner which is a public scandal. Indians are not being neglected because we do not want to do right by them but because we do not know how to finance; not because we cannot produce all the goods and services to provide the Indian with all the fine things he ought to have, but because we do not know how to put those goods and services in the hands of the Indians.

I suggest, Mr. Speaker, that this whole situation constitutes a cause for serious thought. It has been said that the people of my group are engaged in being gloom mongers, but that is far from the case. When I first came here as a member 14 years ago, the Hon. W. R. Motherwell, whom some members may remember, who was the premier of Saskatchewan at one time and federal minister of agriculture, one of the finest men who ever sat in this house—

Mr. Boucher: May I ask the hon. member who has the floor to tell me the year in which the Hon. Mr. Motherwell was premier of Saskatchewan?

Mr. Blackmore: I shall finish my speech first. He was the minister of agriculture in this House of Commons. If I made a misstatement as to his having been premier of Saskatchewan, I shall take it back, but it has nothing to do with my general argument.

[Mr. Blackmore.]

Mr. Deputy Speaker: Order.

Mr. Blackmore: If I have said something bad about him, it would be a terrible thing.

Mr. Boucher: It certainly would.

Mr. Blackmore: But I did not.

Mr. Boucher: You could not.

Mr. Blackmore: No, I did not. Mr. Motherwell said that this Social Credit group constituted the only bright spot in this house. As the days go by, you will find that this group does constitute the only bright spot in the house, because it is the only group that can see its way through the difficulties. Others cannot see, not because the light did not shine, but because the people who should have seen it were blind and could not see it.

The point is that the Social Crediters, being the people who think in terms of the new economy, see only cause for rejoicing in the great increases in production. Why should there not be rejoicing when we can produce more of everything than man can consume? If we were unable to do so that would be a real cause for worry, but we are able to produce so much more with our wonderful machines, with our wonderful ability to use solar energy, our knowledge about plastics and many other things. We have now reached the point where we can produce more than the world can use. Yet, Mr. Speaker, there are now at least a billion people in the world who are on the verge of starvation; people who are actually suffering for want of the goods that we can produce. In the face of this, we are contemplating methods of limiting our production because we do not know how to distribute those goods in our own country, much less among the people abroad.

The group of people who see in this wonderful productive capacity of this world a cause for joy certainly cannot be called gloom mongers. The world has never been in a happier time than it is today, if we only knew how to live in an age of abundance, instead of continuing to try to live in an age of abundance by using a financial system adapted only for an age of scarcity. Our financial system was built up to meet conditions of an age of scarcity. We now have reached a time when we have an age of abundance. The use of machines, solar energy and other devices has displaced man; and because we cannot employ men and give jobs, we do not know what in the world to do with them, and we do not know what to do with the goods which they could buy if they could get the money with which to buy them. I contend, Mr. Speaker, that there is every reason for rejoicing. No generation in this world has ever been so blessed as this generation, and no people on this earth

are more blessed than the Canadian people. Let us look up. Let us think our way out of the difficulty. It will require new thought and new energy; but in my judgment the members of this house are capable of that new thought and of that new energy for devising new means.

Mr. J. A. Ross (Souris): In taking part in this debate on the address in reply to the speech from the throne, Mr. Speaker, my first remarks should be those of congratulation to the mover and seconder of the address. I thought they both did a masterly job, especially the mover, who was extremely tactful in the delivery of his speech.

I also want to congratulate one who has become a sincere friend of mine since I have been in the House of Commons on his elevation to a cabinet portfolio; I refer to the hon. member for Grey-Bruce (Mr. Harris). I am sure that he will do justice to the position he now occupies, judging from his performance in the years I have known him in this House of Commons.

In the speech from the throne there is reference to the proposal of a general conference early next autumn between the provincial governments and our federal government in order that matters of mutual concern might be discussed. I would think that the welfare of municipal organizations throughout Canada, both urban and rural, should be of some concern now. With that in mind, I believe that heads of provincial and municipal organizations should be invited to participate in this proposed conference. Within this federal cabinet there is apparently a complete lack of understanding of many basic municipal problems. According to the Canadian Parliamentary Guide, I find that not one of the present federal ministers is shown as having had municipal administrative experience. That situation is unique, when you consider the fact that the ministers represent all parts of this nation from coast to coast.

I want to refer especially to the matter of grants to municipalities in lieu of taxation. This matter is also mentioned in the speech from the throne. I happened to receive a copy of lengthy correspondence which the Winnipeg and Manitoba chambers of commerce mailed to the Minister of Finance (Mr. Abbott) under date of January 30, 1950. I want to endorse wholeheartedly the arguments contained in that correspondence, but I do not intend to quote it. I wish, however, to say that with respect to Winnipeg, in which there is federal property valued at over $7 million and assessed at $5 million, that is slightly over 2 per cent of their assessment; therefore under this 4 per cent regulation of the federal government they are not entitled to any grants. As I say, I want to endorse that argument wholeheartedly.

More than that, at our Manitoba municipal convention last fall, which is recognized as the municipal parliament in Manitoba, the province from which I come, there was keen discussion on this matter of federal grants in lieu of taxation, and a strong resolution was passed there requesting reconsideration of that matter. I would hope that the government would reconsider their attitude, because most if not all of the cities west of the great lakes do not qualify at all under the present regulations.

Then there was the matter of federal aid to education. I do not intend to repeat the arguments that I set forth on this issue at the last session of parliament, but I want to endorse all of the remarks so ably made in debate yesterday by the leader of the Social Credit party (Mr. Low). I thought he did a splendid job with respect to his arguments on federal aid to education. Having regard to my own leader, Mr. Drew, the people of Ontario especially recognize what a splendid job he did and what a splendid reputation he now has as the result of being minister of education in a government in Ontario; and he fully endorses federal aid to education.

In Manitoba the cost of education is borne to the extent of 75 per cent by a levy on real estate. That is an absurd situation. We have districts in which the highest-assessed land in the district has not produced any revenue over a period of three or four years: in one district that was because of flooding. Yet that property pays the biggest tax of any property there, for school purposes. When you think of such an inadequate system, under which 75 per cent of the cost of education throughout the province is obtained through a levy on real estate, you can see that it is completely out of date. Without repeating my arguments of last session, I want to endorse wholeheartedly the matter of federal aid to education and also to say, as was said by the leader of the Social Credit party, that I am greatly disappointed, after our debate last session, that no mention of this matter was contained in the speech from the throne at this time. That matter also was dealt with at the municipal parliament of Manitoba or the municipal convention last fall, and a strong resolution was passed asking federal aid for education and also criticizing severely our provincial department of education in Manitoba for not doing more than they are doing. I am sorry to have to be so critical of our Manitoba Department of Education, but they have

failed miserably with respect to their financial contribution to education throughout the province, and they have failed in other ways apart from that. I am sorry to say that they are so far behind the departments of education in many other provinces.

Reference was also made in the speech from the throne to the downward adjustment in the price of farm products. That is an important issue from coast to coast in Canada at this particular time, and all the more so when you consider the manner in which the producers have been misled by various federal government ministers throughout the past years and encouraged to expand their production. I wish to remind the house and the country that this government from 1942 to 1949, by their policy of, as a neighbour of mine said, "Gardinerizing" Canadian agriculture, has cost the farmer producers of Canada approximately $2,000 million that they might have had if they had been permitted to market their production on the same basis as the farmers of the United States, that great nation to the south of us. That is a great deal of money which they might have had in good times in order to tide them over the depressing market situation that now faces us suddenly. That is what it cost our producers through controls and embargoes imposed by our own government throughout those years. A recent survey of the Sanford Evans bureau in Winnipeg has pointed out that, with respect to wheat, in the period 1945 to 1949, the Anglo-Canadian wheat agreement has already cost the Canadian farmers $536,229,978. That is the loss, the difference between what the farmers in the United States received for a like number of bushels of their product and the amount received by our agriculturalists. According to that bureau, the average half section in western Canada had a loss each year of $1,064; or on a bushel basis the United States farmer received approximately 50 cents more per bushel for his wheat than his Canadian neighbour all during those four years.

At a given point, North Portal, where the main street divides the village, and the United States farmer delivers his grain to the elevator on one side of the street and the Canadian farmer delivers his grain on the opposite side of the street, according to market prices of February 7, 1950, which is not many days ago, the United States of America farmer received at the elevator, equal to Canadian funds, $2.14 per bushel. The Canadian farmer received $1.58½ per bushel, or a difference of 55½ cents per bushel. Therefore you will see, Mr. Speaker, that since the survey of the Sanford Evans bureau, instead of our loss improving since it was made it is becoming greatly aggravated as the days go by.

Then quite recently the federal government have changed the terms of the final year of the wheat agreement, not in the interests of the wheat producers but rather in the interests of certain other producers who had received much better treatment from this government throughout the war years than did the wheat producer. In that respect I should like to quote from part of an editorial of the Winnipeg *Free Press* of December 23, headed "Sacrificing the prairies."

> Latest reports from Ottawa are to the effect that by agreement between the United Kingdom and Canadian governments $2,500,000 is being diverted from the purchase of wheat to lumber. This is the third diversion of this kind to be reported in the past few days. The three amount to $30 million or to 15 million bushels at $2 per bushel.
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> Under the United Kingdom-Canada wheat agreement the British government is pledged to buy 140 million bushels at $2 per bushel, Fort William, in the crop year ending July 31, 1950. This is the fourth and final year of the agreement. Beyond July 31, 1950, there is no contract and, according to Right Hon. J. G. Gardiner, Minister of Agriculture, no likelihood of one. It is clearly understood, however, that the quantity of wheat not sold under the contract because of these diversions will be bought by the United Kingdom at the price of $2 per bushel in the crop year 1950-51.
>
> There has been a good deal of loose talk about the diversion from wheat to bacon, lumber and salmon. It has been presented here in the west as a mere postponement of the sale of a few million bushels of wheat, which will not really touch the pocket book of western farmers.
>
> This is not true. The wheat producers of the west should note carefully what is happening to them under the political control of their business. This so-called diversion of cash from wheat to other products means the loss by the wheat growers of this money. There is no diversion at all. To the extent involved—$30 million as the figures now stand—the people who will receive it will not be wheat producers here in the west but hog producers largely in the east and lumber and salmon producers. This money will be irretrievably lost to the wheat producers.

In debates in past years I have pointed out the great advantage that the eastern hog producers had over our western people. In any successful business I think that we should feed our stock on the farm where the feed is produced rather than clutter up the transport system and the manpower problem; but at one time in Canada, owing to free freight on feed grain coming east, and other advantages, there was an advantage to the eastern hog producers of $9 per hog. That was a matter of $125 million of subsidies of free freight which all the taxpayers of Canada paid for. That is only one little example of very much of this business. Both the Minister of Agriculture (Mr. Gardiner) and his parliamentary assistant encouraged agricultural producers of wheat, bacon, poultry, dairy

products, fruit and vegetables, and so on, to expand their production year after year throughout this country, telling those producers that, by taking less than prevailing world prices during wartime and after the war, they were assured of good overseas markets in the future. You know of the glowing pictures of future export trade which were painted during the election campaign last year by both the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture.

In a recent speech at London the Minister of Agriculture stated that he had information and had known for two years past, that Britain did not want to buy further produce from Canada other than her wheat. Can you imagine a responsible minister of the government, who had that information, encouraging as far as possible the expansion of agricultural production in this country? I know of many poultry people and others who had invested their money in plant expansion. Now they are suddenly informed that they had been misled, that there are no markets for them. I think it is most unfair that if these ministers had that information it was not imparted to those producers throughout the country.

I have been amazed to read in papers from coast to coast reports of the speech of the parliamentary assistant to the Minister of Agriculture. I shall quote a paragraph from the British Columbia *Country Life*:

> Advice of Robert McCubbin, parliamentary assistant to Right Hon. J. G. Gardiner, Minister of Agriculture, to his fellow farmers, so the Canadian press reports, is that they develop their own markets and do not rely on the dominion government to help them secure outlets. Under normal circumstances, that would be sound advice but under present circumstances it is difficult to understand how such advice could be followed, because the farmers are helpless, in respect of developing markets within the British commonwealth of nations and in foreign countries.

It is difficult to understand. I have great respect for this gentleman to whom I am referring. He is the parliamentary assistant to the minister and assisted him in encouraging the farmers from coast to coast to expand their development; and by controls, embargoes and so on made it impossible for these same producers to obtain what they might have obtained during those years. Now when they find themselves in this dilemma they are put on their own to find markets to sell their produce. I say that is a very surprising statement to come from one occupying the position of parliamentary assistant to the Minister of Agriculture. He apparently spoke as one of and for the government. He supported every one of these measures of control and embargo to which I have referred, and which prevented those producers from obtaining as much revenue as they otherwise might have obtained.

Also during those war years the ex-prime minister, the Right Hon. W. L. Mackenzie King, and the Minister of Agriculture, assured us repeatedly that by taking less money than they otherwise might have obtained these overseas markets were being assured to those producers in the future. Therefore it is all the more disappointing. I cannot find language strong enough to emphasize the seriousness of this situation. Since I am one of those who have spent their lives studying agriculture, I believe it to be the basic industry of this country upon which all other industries must build if we are to have a prosperous and united people in Canada. Therefore a great and serious obligation rests upon this government to make good some of those losses during the very trying and difficult days that lie ahead of us in the near future.

There is another matter to which I wish to refer. I want to urge the government to set up a standing committee of the House of Commons on veterans' affairs. I think that is very important. There are many problems which face our veterans in this country. Reference has been made in the speech from the throne to bills which will be introduced having to do with veterans' problems. That in itself is further proof of the necessity of what I suggest.

In my opinion the consolidated measure in connection with national defence, when it is introduced, should be referred to a committee for consideration. I realize that last year the Minister of National Defence (Mr. Claxton) had strong arguments against the formation of such a committee. If he still retains those arguments, then I would point out to him that he himself is a veteran and I am sure every veteran, irrespective of the corner of the house in which he may sit, is vitally interested in national defence at this time. I would imagine that, if a special committee were set up to consider matters connected with national defence, many of the members who served on veterans' committees would be members of such a special committee at this session. Therefore I urge with all the power at my command that a veterans' committee of the house be set up to look after veterans' affairs, and that this very important measure should be referred to it.

I wish to quote some observations of the Minister of National Defence which appeared some time ago in *Maclean's* magazine. He stated:

> One reason why parliament has not functioned better is that 245 members cannot get down to close grips with a subject. Also there is not enough

time for the whole house to deal with everything. Hence, the practice of referring specific matters to committees for study and report should be extended.

Then he states further on:

Committees should sit regularly on matters like manpower and labour, financial and economic questions, reconstruction, external affairs and information, munitions and supplies, agriculture,—

And then the very points contained in the new bill—

—the navy, the army and the air force.

This is his own expression as published in *Maclean's* some time ago.

He says:

The United States Senate has forty-seven committees exercising great power. We do not need anything like that number. The close connection of our executive with our legislative branches makes it unnecessary. Fifteen working committees of our house, most of them only meeting through half the session, would do the job. My fifth point, therefore, is: Whenever possible a matter of major importance should be referred to a committee of parliament and where necessary the committee should be provided with adequate research assistance.

I am sure there is no one in the country who would not agree that this is a very important matter and that the committee should deal with those very items set forth so well by the Minister of National Defence. As I say, I know there would not be many who would not be interested in a veterans' committee, and I urge the necessity of such a committee so that this bill may be referred to it for consideration.

I have already referred to the speeches of one parliamentary assistant, when I have been discussing this matter of veterans' affairs. There is another parliamentary assistant, a very good friend of mine, the hon. member for Winnipeg South (Mr. Mutch), to whom I would refer. Knowing him, as I have known him most of my life, I find it most difficult to understand the speech he made only the other day to a businessmen's club in Toronto. More especially do I find it difficult to understand when I point out that he is parliamentary assistant to the Minister of Veterans Affairs (Mr. Gregg). His speech is reported in the Toronto *Daily Star*, a newspaper which, after all, has been rather friendly at times to this government, I believe. The article is headed "Social Security under Fire" and states:

In addressing the Toronto Liberal Businessmen's Association, Mr. Leslie Mutch, Liberal M.P. for Winnipeg South, had some hard things to say about social security. He is quoted as stating that "social security in Canada is an ill-fitting garment that hampers our development and could strangle us." Mr. Mutch might have stopped there and felt he had put social security in its place. But he saw fit to add that social security "is the excuse of the lazy, the narcotic of the weak-willed and the refuge of the coward."

[Mr. Ross (Souris).]

With those remarks and more along the same line, Mr. Mutch left no doubt that he does not approve of social security. The revelation might be of slight interest were it not that Mr. Mutch is parliamentary assistant to the Minister of Veterans Affairs in a Liberal administration.

I recollect that this hon. member was out campaigning against me in my riding last summer. I happen to have with me one of the advertisements which appeared so frequently in all newspapers throughout Canada, and which dealt with social security. "Vote Liberal For Your Future Social Security". Is this not a strange set of circumstances? It is difficult to find a reasonable explanation for it.

There is another matter I should like to mention, and my reason for bringing it up now is that the Prime Minister (Mr. St. Laurent) did make reference to it yesterday. He referred several times to the House of Commons, and the overwhelming majority this government received last June. As to the number of members elected, I am bound to agree with him. I believe he stated yesterday, if I heard him correctly, that 73 per cent of the constituencies in Canada by their votes certainly approved of this government and its policies.

Mr. Fournier (Maisonneuve-Rosemont): Very good.

Mr. Rowe: Just approved the part he told them.

Mr. Fournier (Maisonneuve-Rosemont): And it will be repeated.

Mr. Ross (Souris): There have been very few sessions since I came to the House of Commons that I have not spoken in favour of the transferable vote. Therefore I cannot be accused of advocating something new because of the present set of circumstances. However, it could happen the opposite way in another election.

Let me place on record some figures released to the Canadian Press on August 24. The article states:

A record total of 5,856,307 votes was cast in the June 27 general election compared with 5,246,130 in the 1945 election, it was disclosed Tuesday by Jules Castonguay, chief electoral officer.

The Liberal party, returned to power with an overwhelming majority, received 2,926,029 votes in the last election compared with 2,170,625 in 1945.

The Progressive Conservatives, second largest group in the commons, polled 1,742,235, compared with 1,455,453.

Then the article gives the figures for the C.C.F. and Social Credit parties.

The point I wish to make clear is that it is indicated by this statement from the chief electoral officer that the majority of people who cast their votes on June 27 did not vote for the present government in Canada.

Mr. Fournier (Maisonneuve-Rosemont): Oh, oh; that is a good one.

Mr. Ross (Souris): To break that down, just a shade under 50 per cent of the electors obtained 75 per cent of the government seats. Approximately 30 per cent elected 16 per cent of the seats occupied by the Progressive Conservative party; 13 per cent of the voters elected 5 per cent of the seats occupied by the C.C.F.; and approximately 7 per cent elected the 4 per cent occupied by Social Credit and other members.

In other words, on the basis of these figures it required approximately 15,160 votes to elect a Liberal last June, as compared with about 42,540 to elect a Progressive Conservative. Then, at that general election there were some 121 members elected to this House of Commons by minority votes within their ridings.

Mr. Cruickshank: And some by majority votes, too.

Mr. Ross (Souris): The balance were majority votes. I am stating my argument in favour of the transferable vote, as it has been in operation in Manitoba and Alberta for many years. In each of those provinces, before a candidate can be elected he must have received a majority of ballots cast on election day. In my view that is the only democratic way.

Mr. Gardiner: It made a difference in only three by-elections.

Mr. Ross (Souris): I am not saying anything about that. I do say that members should be elected by a majority of the people. I have been here as a minority candidate—on other occasions as a candidate elected by a clear majority. However, I feel strongly in the matter because I believe some day we will find ourselves in great difficulty because a majority of the people have not elected our representatives to parliament. I admit that I have been on both sides, and I think I made that quite clear. I urge the government to amend the Dominion Elections Act to provide for the transferable vote before another election occurs in this dominion.

Mr. Cruickshank: That will give us a larger majority.

Mr. Ross (Souris): That is O.K. with me if the electors so decide. Then we had the withholding of the report of the commissioner under the Combines Investigation Act on the flour-milling industry which was dated December 29, 1948, but withheld until November 7, 1949. In the debates that followed we had both the Minister of Justice (Mr. Garson) and the Prime Minister (Mr. St. Laurent) absolutely contradicting the statements they had previously made during the last session of parliament.

Then on December 9, 1949, as recorded on page 2983 of *Hansard*, there is the silly statement of the Minister of Justice that it was quite impossible for him to comply with the act and make public the report within the required fifteen days. Then he reversed himself by the action he took later on when he made public the reports on the glass and match industries within the fifteen-day period required by the act. In that connection I should like to quote from an editorial in *Maclean's* magazine of December 15, 1949, as follows:

> This government has been guilty of deliberate defiance of the law, by the very men sworn to administer it. This is an offence that ought not to be forgiven.
>
> By the Combines Investigation Act, the Minister of Justice is obliged to publish any report of the combines investigation commissioner within fifteen days of receiving it. That clause has been kept in the act by the government's own insistence. A couple of years ago John Diefenbaker urged them to modify it—he thought it too rigid, leaving the minister no option but to publish even an unfair report. The government brushed him off. The "white light of publicity" was just what they wanted, they said; abolition of that clause would defeat the main purpose of the act.
>
> That was their attitude until December 29, 1948, when Fred McGregor turned in his report on the flour milling industry.

And then again:

> So, in the words of justice minister Stuart Garson, the government "took the responsibility" of ignoring the law. Instead of publishing the McGregor report, they sat on it until after the election.
>
> This action is indefensible—as the government well knows. No coherent defence of it has been attempted. Liberal M.P.'s admit cheerfully that the government is wholly in the wrong, but they add cynically that the voters will have forgotten it by 1953.
>
> If we forget that easily we deserve the kind of treatment we've been getting.

Then this afternoon I listened to my good friend, the hon. member for Fort William (Mr. McIvor), refer to the generosity of the Minister of Justice. I am sure the hon. member would have obtained endorsation of his statement if he had consulted with the officials of the millers' association. I am sure they would have told him that they also appreciated the great generosity of our Minister of Justice. At page 79 of the report it is stated that in effect the millers' association had a double set of minutes. Surely that matter should have been looked into, but yet the report was withheld until the time had expired when anybody could institute legal action against the millers. Only the courts of this land could decide whether they were guilty or not.

As I say, I am sure that my hon. friend would have found endorsation of his statement as to the generosity of the Minister of Justice. I wonder about the people in our country, especially those in our high schools, our universities and churches. They are endeavouring to teach our young people respect for the law of the land. I can well remember my teachings and that previously I had never known of a minister of justice, irrespective of what political affiliation he may have had, who was not possessed of character and high principles or who could be pushed around.

There should be respect for our parliamentary institutions. That respect should be instilled very strongly in the minds of the younger people of this nation. Yet those young people are today openly saying that this session of parliament has opened with the same minister at the head of that great Department of Justice for which we have had such great respect, and that is considered to be a direct reflection on the Prime Minister of this nation who is responsible for his appointment. I feel keenly about this. I do not think it matters whether certain ministers on the front benches are here, individually, or whether I am here, but I am concerned about the example being set before the rising generation, especially when they are faced with the difficulties they have to contend with in growing up to manhood and womanhood.

I have been amazed at the lighthearted attitude of the Minister of Justice toward such a serious matter as this. We held him in deep respect when he was in Manitoba. I regret his attitude toward such a serious matter and the example he has set as head of this important department to the young Canadian citizens who are growing up.

In conclusion I want to urge as strongly as I can upon the government that as agriculture is the basic industry of all national progress upon which all other industries in Canada must build, the same basis of income tax exemption should be allowed to the Canadian farmer for building, equipment or plant expansion during 1949 or 1950 as has been allowed to industry. Respectable floor price legislation should be provided immediately for agricultural products. The policy for the handling and disposal of the 1950 wheat crop should be made known before the Easter recess so that our farmers may have this information before seeding time.

I urge that the Crowsnest pass freight agreement be left on the statute books and be not placed in the hands of the transport commission. I urge that provision be made for the granting of federal aid to education. This is most essential, as has been pointed out by members on all sides of the house, as in different parts of the country there is great inequality in the opportunities afforded for education. There is nothing more important in this nation today than education.

I urge that the federal properties grants in lieu of local taxes scheme be reconsidered and a more equitable and reasonable plan worked out and offered to the municipalities. I urge that the committee of the House of Commons on veterans' affairs be set up and that when the consolidation measure in connection with national defence is introduced it be referred to this committee for consideration. I urge that the elections act be amended and provision made for the use of the transferable vote.

I shall support the amendment moved by my leader and seconded by the hon. member for Peel (Mr. Graydon), which reads:

That the following words be added to the said address:

"We respectfully submit to Your Excellency that Your Excellency's advisers have:

(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

(2) failed to take steps to inaugurate a national contributory system of old age pensions without a means test; and

(3) deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act on the flour milling industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government; and

(4) failed to take adequate measures to curb espionage and other harmful activities of communists in Canada.

For these and other reasons we respectfully submit that Your Excellency's advisers are not entitled to the confidence of this house."

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, it is always comforting to note that in the House of Commons we can use either of the two languages said to be official in Canada and speak in our mother tongue or in the language which is said to be that of the majority. We wish Canada to become a bilingual country and I think that where there is a will there is a way. Moreover, the example set in this house should spread throughout the country. The friendly tussles of days gone by have ended. This means that Canada, with its religious and political freedom and its dual culture can, nay should, become one of the great countries of the world.

It is customary, and the tradition is commendable, to congratulate the mover and

seconder of the address in reply to the speech from the throne. I am delighted to do so because these two gentlemen, younger members of the house, acquitted themselves like veterans.

Naturally, I am better acquainted with the riding represented by the hon. member for Villeneuve (Mr. Dumas) since I toured it a few years ago. I notice that he devoted special attention to the mining problem.

The constituency of Portneuf and especially its population are concerned with mining matters because the county has very rich mineral deposits. In fact, one mine is already in operation and another soon will be. Moreover, I am sure others will be developed in the near future.

I therefore congratulate the two hon. members for a good job well done and I am certain that the house and their constituents are very grateful.

Mr. Speaker, last week we received the sad news of the death of Judge Lucien Cannon, of the superior court. Portneuf county, which he represented for a few months only, is especially saddened by his demise.

If the bench has lost an eminent jurist, the body politic cannot remain indifferent, since it too loses one of its most brilliant orators. In the course of its many sessions, the House of Commons of Canada was the scene of important discussions, famous in our parliamentary annals, to which Lucien Cannon, then member for Dorchester, brought many assets, his remarkable power of expression, and his exceptionally fine and powerful talent as a debater.

Those who have crossed swords with him know better than anybody else how keen was his blade, how quick his hand. His political battles in Dorchester and Portneuf have not been forgotten; they are still well remembered by those people who love good and brilliant speeches. They love fighters and Lucien Cannon had no peer on the hustings.

As for us, we had him in our midst for three months, during which time we were able to appreciate his broad mind, his heart ever open to all requests from his electors, his utter devotion to all those who had placed their trust in him. During those three months, Mr. Cannon worked methodically and devotedly for the welfare of his new constituents.

The bench took him away from us in 1936, but he left behind him fond memories.

A brilliant man, he served his country well and will be remembered as an outstanding figure in our political and legal life.

At the risk of again passing for a fascist, a supporter of Franco, I wish to thank the government for having allowed a peaceful invasion of Spain by our commercial attachés. I feel sure that both our country and theirs will profit much by it and I hope that the Canadian government will even go further and appoint an ambassador so that we may take advantage not only of commercial exchanges but also of cultural exchanges since all the members of this house know the high value of Spanish culture or of any other Latin culture for that matter.

I trust that in making this request to the government again as I have during the last three sessions, I shall not be branded as a fascist or a supporter of Franco. Even if I were, the only explanation I could give would be that, first of all, I believe in the full enjoyment of all political, social, economic and religious liberties under a moral law. If I requested, interceded and prayed for the re-establishment of our relations with Spain, I did so for two good reasons which were, which are and which will ever be all-important. First, Spain was the anti-communist bulwark in Europe; second, Spain is a strategic point which could close the entrance to the Mediterranean sea should our enemies, the communists in this case, take a part of Africa and definitely invade the European continent. Those are the two reasons I have given and I repeat them. I am proud of having insisted on renewal of our relations with Spain.

I wish to thank the Minister of Public Works (Mr. Fournier) and the Postmaster General (Mr. Rinfret) for the construction and completion of a splendid public building at Donnacona. The Post Office Department took possession of it recently. Service is perfect and I am sure that the people of Portneuf are grateful to the two hon. ministers and to the government.

I now come to a subject I have already dealt with in this house. I believe it to be important. I refer to the digging of a channel between Deschambault and Lotbinière. I know that the amount required for the dredging of this channel may seem huge to the layman and may cause the Minister

of Public Works to frown. Even so, I still say that this project is necessary and unavoidable for reasons which I shall mention as briefly as possible.

The parishes concerned, the parishes of the district of Portneuf, fully aware of the necessity of this ferry have asked me to submit resolutions they have sent me to the Minister of Public Works and to the government in order that the necessary appropriations for digging the channel may be made. The parishes of Deschambault, Grondines, St. Casimir, St. Alban, Donnacona, Portneuf and St. Marc des Carrières, have sent me resolutions asking that these works be undertaken. The reason is that because of a considerable trade in fertilizers between the counties of Lotbinière and Portneuf, the digging of this channel has become absolutely necessary.

In St. Marc, they use a fertilizer known under the name "Calco", made up of pulverized stone. Farmers use it to increase the yield of their land. It is manufactured by the Deschambault quarries which sometimes employs about five hundred men during the year. Four other limestone quarries are located at St. Marc des Carrières and produce cut stone. Altogether these quarries employ over a thousand men. St. Marc des Carrières is the centre of a considerable trade which, from an economic standpoint, interests not only my constituency but also that of the hon. member for Lotbinière (Mr. Lapointe), who knows what I am talking about and is familiar with the situation.

A resolution was forwarded to the hon. Minister of Public Works (Mr. Fournier) requesting that certain works be carried out. I know that the hon. the Solicitor General is aware of the farmers' needs and that he will support my request to the Minister of Public Works and to the government.

Again, Mr. Speaker, the amount of money spent on those works may seem very high with respect to the needs of those two areas, but they are not for those digging operations are absolutely essential to the development of those areas. Indeed they will promote the welfare of farmers and workers of St. Marc des Carrieres and many other parishes in the constituency. These vast works would also be important from a touristic standpoint, as a ferryboat would operate 24 hours a day, eight months a year, and the money thus brought in could be spent in those two counties. I feel it would be superfluous to quote figures on the production of the various quarries I just mentioned: Deschambault Quarries, Gingras et Fils, Standard Lime, Canada Lime and J. O. Gauthier, Ltd.

Other parishes have also sent me requests. I hope that my efforts and those of the hon. member for Lotbiniere will be successful and that the government will grant our request. It is fair and reasonable and is prompted by a real need. At any rate if the government can perform these works, they will be of great benefit.

I trust I have been able, in my brief remarks, to fully convince the Minister of Public Works and the government of the necessity of these works. I trust they will carefully consider the requests of the members for Lotbiniere and Portneuf and see that the work is done during the summer so that the farmers, first of all, and then the labourers and the tourists may at last benefit from this absolutely essential ferryboat.

Now, Mr. Speaker, I have a matter which may concern the Minister of Mines and Technical Surveys (Mr. McCann) rather than the Minister of Public Works. I see the Minister of Transport (Mr. Chevrier) is laughing but I shall come to it later.

Mr. Chevrier: I expected it sooner.

Mr. Gauthier (Portneuf): I recently received from La Corporation de St. Marc des Carrières a resolution in which I am asked to bring pressure to bear on the government so that work on the drainage of the various quarries I have mentioned may be started. I wish, Mr. Speaker, to read the whole of this resolution dated November 21, 1949:

Whereas important drainage operations have already begun within the municipal limits;

Whereas the municipality must, in order to complete said projects, make a considerable outlay;

Whereas such drainage works are of vital importance to the operators of our quarries and, consequently, to the whole population;

Whereas the development of these quarries comes under the federal Department of Mines;

Be it therefore moved by Omer Béland, seconded by Henri Petitclerc and resolved unanimously:

That a request be made to the Minister of Mines with a view to securing a grant of $25,000 for completion of these important undertakings. And that a copy of this resolution be sent to our federal member of parliament, Dr. Pierre Gauthier.

Passed at the regular meeting held on November seventh, 1949. Certified true copy.

Jean Louis Frenette,
Secretary-treasurer

I would therefore ask the Minister of Mines and Technical Surveys to accede to their request and to help these municipalities in order that this drainage may be carried out as soon as possible to improve the location and nature of these lands.

I have very little to say to the Minister of Transport, but I must thank him for having taken a hand at the right moment and when the need for it was felt. His intervention was sufficient to convince the Canadian National and certain projects were carried out in the municipality of Deschambault. May I be permitted to state here that I believe the Minister of Transport has always been friendly and, so it seems to me, that he has a soft spot for the people of my area who gave their all, not only in wartime but in peacetime, when it devolved upon them to do the piloting between Montreal and Quebec and between Quebec and Pointe-au-Père. The Minister of Transport was always willing to consider all requests, not only those that had to do with the railroads but also with piloting. I wish to thank him, until such time as I have other more specific requests to make or I have to meet him with a delegation.

I must also note, Mr. Speaker, that my hon. friend from Maisonneuve-Rosemont (Mr. Fournier) has supported all the requests made by those who sail the St. Lawrence. I do not forget either the hon. member for Levis (Mr. Bourget) who also has something to do in this connection.

You might say that I am congratulating the government pretty often. However, when the government does the right thing, I like to say so just as I like to point out the errors of its ways. When the government brought in a bill for the protection of our forests I was happy to support it and I am convinced that this act will bear very useful fruits and that the provinces will co-operate in order that our forests may be more adequately protected. I remember that when I spoke on this matter I paid particular attention to the necessity for educating our people in general, with special regard for our youth. I will make so bold now as to quote an article in English, even though I am no great hand at it, on the necessity of intensifying this type of education in our schools. This article, entitled "Schools Need Forestry Books", is taken from the publication *Woodland World.*

(Text):

Study programs being revised in schools of seven provinces lay more emphasis than ever before on conservation and forestry. That an encouraging pattern of conservation teaching is unfurling in elementary and secondary schools is indicated in a new handbook for Alberta teachers. It notes that teaching of conservation has traditionally been approached as our responsibility to the world of the future, and adds that present trends, however, bring out "that even in this rich new land of Canada, conservation programs are of direct significance to our present generation."

There's one discouraging factor in what otherwise looks like a promising picture. It's the lack of tools (graded reference material and suitable visual aids) to put across the program effectively. Practically all provinces deplore the fact that what material is available, particularly in elementary grades, is above the child's level of interest and comprehension.

One immediate step toward the solution of this problem would be the bulk purchase (at a special low rate) by education departments of "The Children's Book of Trees" from the Canadian Forestry Association. This book written by Leonard Knott with the editorial co-operation of C. F. A., tells the story of forests, forest protection and conservation in a way that will hold the interest of every child of elementary school age.

Still another help would be the placing of "Woodland World" and "Forest and Outdoors" in all schools for supplementary reading purposes. Through the generosity of 60 sponsors some 700 schools in outlying districts get F. & O. The same could be done for all schools through a similar but more extensive sponsorship system in which subscriptions are available at a special low rate.

Woodland World is certainly to be commended for this fine article. I hope that in the minds of the general public the impression will be created that an intensive teaching program should be started among our youngsters, and that the importance of our forests should be impressed upon them so that future generations will look on our natural resources as the real ones necessary to keep Canada in the forefront of the concert of nations.

(Translation):

Mr. Speaker, I like to revert fairly often to certain subjects. I believe that in so doing, the words which I dare speak on this matter will have the same effect as water constantly dripping on stone where it finally leaves its mark.

Already, I have vehemently assailed drunkenness in the provinces of Quebec and Ontario and, indeed, throughout the country. I have stressed the enormous amount of hard liquor consumed in these two provinces.

If I revert to the subject, for the hundredth time perhaps, it is not for political purposes, but because, in my opinion, there is a lack of earnestness in certain quarters when it comes to canvassing taxpayers for funds for educational pursuits. On the other hand such education is useless if we waste it by making it possible for our people to drown it in a glass of beer or hard liquor.

People, especially in my province, often talk about respect for authority, which they demand at all cost. I wonder if those who so strongly advocate that respect are fully aware that they lay themselves open to ridicule. When we ask our people to respect authority, it is inconceivable that they should be taught to do so by giving them every possible means of destroying their intelligence and their health, as well as their moral, intellectual and spiritual values through inconsiderate use of alcohol.

Constitution is often discussed in my province. We should give more thought to the physical constitution of our people and to the immoderate use of alcoholic beverages not only in Quebec but in the other provinces as well. Statistics show that fabulous sums of money are spent on liquor.

Quebec and Ontario are, at the present time, launching an offensive against excessive drinking. A similar offensive may have been launched elsewhere, but I have not heard about it. We have organizations dedicated to the eradication of this evil. If these organizations are to attain results which will be of value to our nation, in a moral, physical, intellectual and spiritual sense, the governments must help them.

I do not dare ask the federal government to help those organizations, since there will most certainly be shouts from those who are afraid for their autonomy. I will nevertheless ask the Minister of National Health and Welfare, who seems to be listening attentively, to insist upon preventive measures, to launch, with the help of his department, a campaign for preventive medicine especially directed against alcoholism. I would ask him to give his patronage to an educational campaign with all the courage, initiative and frankness which I know him to possess, so that these associations may succeed and therefore be in a position to ensure better protection for our people.

I know that among physicians, many colleagues have no great faith in prevention. I will refer only to a case where often the members of the medical profession hesitate to speak with the necessary unanimity. Let us take for instance the use of B.C.G. vaccine against tuberculosis. I know that many doctors do not believe in constant or widespread use of B.C.G. but the minister should not be discouraged. Results obtained in the United States and Canada will soon be conclusive enough to induce the people to believe that constant use of B.C.G. can really protect the future of our population. These results will enable the minister to keep on advocating the use of the vaccine and to insist on preventive medical protection in order that unanimity may be achieved and that this preventive measure against the dread disease of tuberculosis may come into constant use and that it may emerge victorious in the battle it must wage at the present time against this disease.

While campaigning against excessive drinking the minister could, with the help of his experts, point out all the imminent perils with which our people are faced. We are even now able to see what dire results this excessive drinking has had among our youth. I ask the minister to conduct this campaign vigorously, and to help the various associations in their fight against alcoholism. Moreover all the responsible authorities in this country could rise together and build a wall in order to defend us against this danger which grows greater day by day.

(Text):

Now I shall continue in English. An inquiry was made in the state of Massachusetts on the cost of drunkenness. This is an extract from the report of the legislative commission to investigate the problem of drunkenness in Massachusetts. It reads as follows:

One of the specific requests made of this commission was that we interest ourselves in the cost of drunkenness in Massachusetts. This we have done. From the information we have been able to obtain it seems that this cost may be represented as follows:

A. Tangible Costs

1. The annual cost of caring for those mental patients whose illnesses have been caused or precipitated by alcoholism approximates	$ 4,000,000
2. The annual cost of crime due to inebriety approximates	6,000,000
3. The annual cost of financial dependence on others (or charity or whatever name one chooses to call it) due to inebriety approximates	51,000,000
Total annual probable cost	$61,000,000

Parenthetically, it might be pointed out that against this cost figure, the commonwealth and its cities and towns received $13,139,266.79 from alcoholic beverage taxation in 1943.

On the other hand, I know that if the government is receiving taxes on the consumption of alcohol, electoral funds receive money as well from liquor vendors, from tolerances, especially in my province. The electoral fund in my province is enormous from tolerances, especially where there are no licences. In my county, in my parish and in the parishes around mine, there are no licences, there is only what we call tolerances. These people are obliged—and I know it, and we can prove it any time—to give funds to the organization to help the party in the next election. Without fear of being

too greatly mistaken I would say that the electoral funds coming from these tolerances would amount to over $2 million in four years.

An hon. Member: Shame.

Mr. Gauthier (Portneuf): That is the situation.

Mr. Gibson: What party gets this?

Mr. Gauthier (Portneuf): In Quebec province the government is Union Nationale. Mr. Speaker, I should not like to go past my time. I have been speaking for a long time now. If I come back to the question it is because I see the danger, I see the evil done by the immoderate consumption of liquor. I repeat my request to the Minister of National Health and Welfare to help the different organizations in the country, and especially in Ontario and Quebec, so that these organizations will not see their work fade away and get discouraged after many efforts carried on and many years of battle on the right front.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, may I join with those who have already taken part in this debate by offering my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address. Both of them carried their task through in an admirable manner, worthy of the highest traditions of this house.

In the time at my disposal I desire to make a few observations regarding the intimation that was given in the speech from the throne that amendments to the Canada Shipping Act would be introduced during this session. My remarks will be based upon various occurrences which have happened during the last few months on the Pacific coast.

In the first place I understand that the amendments will be mainly based upon recommendations which have been received from the international convention on the improvements for safety at sea, and they will also be prompted by the findings of the court of inquiry which investigated the tragic disaster of the burning of the *Noronic* last year. I do not intend to go into details regarding that aspect of these amendments, but I should like to say at this time that I hope restrictions placed on small vessels operating in waters that are not far removed from the shore will not be so stringent as to make it impossible for those vessels to carry on their normal trade. It might be that recommendations will be made, which would be more applicable to the larger vessels, that would cause such a heavy expense upon the smaller passenger-carrying vessels as to put them out of action, and make it impossible for their companies to carry on effectively. It might be that recommendations can be made applicable to larger vessels that would cause such an increase in the weight of the smaller vessels plying in safer waters as to very seriously reduce the carrying capacity of these smaller vessels and ferries.

Also there is the danger that if some types of automatic sprinkler systems were installed there might be just as great a danger from flooding as might exist from the danger of fire. I just close that part of my address with these remarks.

I now want to refer to an occurrence which happened last November just off the coast of Vancouver island. I refer to the sinking of of the tug *George McGregor*, which left Bamberton on Vancouver island at midnight on November 25 destined for Victoria. After passing into the open sea she ran into very heavy weather and sank with the loss of the entire crew of seven men with the exception of one young deckhand. A very thorough and efficiently conducted court of inquiry was held in Victoria this year on the sinking of that vessel. The finding of the court was that the *George McGregor* had foundered through losing her stability under adverse weather conditions. Reading from that report the statement is summed up in these words:

> After reflecting on all other potential factors we—

That is, the court.

> —took the view that this was lack of stability in that the vessel once inclined had a righting lever too low for all conditions of weather that might reasonably be encountered and in particular of the conditions of the vessel in the weather that night.

Then the court went on to examine the various causes of this disaster. It exonerated the crew, the company, the steamship inspectors and all those who were connected with the loss. In fact, the court gave high credit to all those officials and to the members of the crew for having done everything that might reasonably have been expected of good seamen to have saved the vessel.

Referring to the steamship inspectors, after complimenting them upon having carried out to the best of their ability the inspection of this vessel some time before she had gone on this voyage, the court reported:

> The steamship inspectors knew that the vessel had been classed in a recognized classification society of the United States, and there was nothing whatever in her construction or otherwise to raise any question in their minds as to her stability. In these circumstances it has not been the practice to carry out inclining experiments.

Then, a little later on, the report goes on to make recommendations, one of which was to call to the attention of the Department of

Transport the advisability of applying inclining tests to foreign-built vessels hereafter coming under Canadian registry and steamship inspection for the first time, failing satisfactory proof as to the vessel's stability having been established while under foreign registry.

That seems a reasonable recommendation, and I hope it will be possible to include it, or some modification of it, in the amendments introduced this session to the Canada Shipping Act. Subsequently the steamship inspection board in Vancouver called a meeting of the owners of fish boats and tugs to discuss this question of having stability tests. I believe the board of steamship inspectors there stated that stability tests would be carried out by steamship inspectors in future.

I think that that was a slightly different practice, or was notification that a slightly different practice would be followed from that which had been carried out on the Pacific coast in the past when, if a stability test was required, naval architects were invited to come in and to carry out those tests in the presence and to the satisfaction of the steamship inspectors.

There is a difference between the steamship inspector carrying out the inspection himself, and calling upon an expert naval architect to carry out the test in his presence. It is questionable whether the examination for entry into the steamship inspection service calls for high enough standards in mathematics to enable a steamship inspector, once he is admitted to the service, to carry out the rather complicated tests demanded, if the stability of a vessel is to be thoroughly tested.

It is questionable whether steamship inspectors without the adequate knowledge might not constitute a very serious danger to shipping and seafaring men in the future as, if the tests were not carried out efficiently, it might result in a considerable loss of life.

Without going into all the technical details required to carry out these inclining tests, I might say that they consist of shifting known weights through measured distances across the surface of a vessel, and at the same time measuring the angle of heel of that vessel as the weights are shifted across its surface. The weight of a vessel is then obtained by the volume of the displacement of water. Hence what is known as the GM or metacentric height in the condition in which the vessel is then inclined is obtained. Then follows an analysis of the stability of the vessel under various conditions—that is, the amount of cargo she may be carrying, whether it is a full or a half cargo, whether her tanks are full or only partly filled, the number of passengers and so on.

As a result of that analysis it then becomes possible to plot the hydrostatic curves—that is, the height of the metacentric above the baseline at the various drafts. Then, through the means of a rather expensive instrument known as an integrator, the curves of the righting lever are plotted. Those in the trade are known as the GZ curves. These show the maximum righting lever tending to return the vessel into an upright condition. They will also show the range at which the righting lever may disappear when, of course, the ship would capsize.

I understand there are no precise or fixed mathematical standards which can determine these actual ranges or distances at which the vessel may right herself, or at which it is inevitable that she will collapse. That is where the personal and professional experience of the naval architect can be brought into play. From the data that he has acquired from his calculations, and from his experience, he is able to advise as to the stability of the particular vessel under examination.

The point that I should like to have considered is whether it is now advisable to have these stability tests carried out entirely by the steamship inspectors and whether it might not be desirable to require a higher standard of education in order to enter that service than has been considered necessary in the past. It might still be advisable to call in qualified professional naval architects to carry out these inspections, as has been done in the past in the presence and to the satisfaction of the steamship inspector who was present. In view of the unfortunate experience that occurred with this particular vessel I believe it is most desirable that ships being brought under Canadian registry from a foreign flag should be required to take the stability and inclining tests that are now considered essential.

I come now to another occurrence in Pacific waters during the last few months and I refer to the experiences of the S.S. *Lake Canim*. Last summer the Chinese national government informed various governments of the world that they were going to close to foreign vessels certain ports then held by the communist forces of China and the territorial waters adjacent to certain parts of China, that they would in effect establish a blockade of certain ports and the entrance to certain navigable rivers of China. Great Britain, the United States, and I believe Canada, refused to accept that announced blockade as being valid because according to international law a blockade must be real and effective. The Chinese national government were not able to produce evidence that would lead the other great powers to believe that they were able to establish a real and effective blockade of the waters which they

claimed they were going to close to foreign vessels. I believe that the great powers, including Canada, announced that they would retain their freedom of action to deal with any incident that might occur.

At the same time Canada warned interested shipping companies that if their vessels were trading in these wtaers they might expect attack by Chinese national forces or Chinese air forces which might try to intercept their vessels as they were moving into or out of the ports in question. A little later, I believe December 20 was the exact date, the announcement was made that these waters would be mined and warnings were sent out, certainly to United States vessels, that such action was taking place.

A Canadian ship, the *Lake Canim* which I have mentioned, owned and operated by the Western Canada Steamship Company of Vancouver under the command of Captain J. Wright, was in Far Eastern waters. She had been to Japan and then had been ordered to proceed to Hong Kong. According to a statement by the president of the company, Mr. J. Racine, she was instructed to take on a cargo in Hong Kong and to proceed to Shanghai, one of the ports designated by the Chinese national government as being closed. I believe that the crew of the ship took objection to embarking on the voyage, but the voyage was carried out, the so-called blockade was run successfully, the cargo was delivered at Shanghai and the *Lake Canim* returned to Hong Kong.

She then took on a second cargo and again was instructed to proceed to Shanghai. When she came near to the entrance of the river leading up to Shanghai she ran into trouble. She was shelled by a Chinese gunboat, according to press dispatches. She ran aground and only just managed to get off before the Chinese war vessel came. After a third attempt she had to abandon her efforts to reach Shanghai. She was chased away by a Chinese gunboat and had to land her cargo some 400 miles to the north of Shanghai at Tsingtao, after which she proceeded to Hong Kong where she went into drydock.

On January 27 of this year a letter was published in the Victoria *Daily Colonist* written by Mr. H. Mobsby, the engineer on that vessel. He describes some of the experiences undergone by this ship in attempting to run the blockade at Shanghai. I shall read this letter because it contains a graphic description of this vessel's experiences. He says:

> So far we have tried to run for it twice. The first time it was seven a.m. with a heavy rain and mist. We were about two and a half to three miles past the gunboat—apparently we caught them asleep at the radar apparatus—when the weather cleared and he saw us.
>
> He (the gunboat) straddled us with a couple of shells, so we had to stop and return to anchor outside the three-mile limit.
>
> His placing of the shells was perfect and the next one, I am sure, would have popped us.
>
> On our next attempt, it was 3 a.m. with heavy fog, we went into the darkness with all lights blacked out, even the running lights.
>
> This time we went aground four miles up the channel. He—

That is the Chinese gunboat.

> —must have spotted us, for his searchlight began working as we were making a frantic effort to get free of the mud bank . . .

Then a little later, describing the third attempt, he said:

> . . . we have real opposition, a destroyer, roughly 35 knots and armed to the teeth . . . blocking the narrow channel. Besides this he has the usual naval large-screen radar, so it would be foolish to attempt it.

It was then that the *Lake Canim* turned around and delivered her cargo at another port. This cargo, I understand, was of considerable value, consisting mainly of chemicals. Apparently there were no Lloyd's surveyors at Hong Kong at the time; therefore Lloyd's did not pass on either the nature or the storage of that cargo. With respect to the reaction of the crew Mr. Mobsby writes:

> Then when . . . the news came through, destination for cargo was Shanghai, everyone exploded and asked to be paid off and sent home. However, same was refused . . . We were politely informed that our agreement was for one year, and to break it at this time would mean three to six months in jail. Consequently, here we are at the mouth of the Yangtze.

I have been shown letters from other members of the crew of this vessel which also indicate that the crew very much disliked the idea of going into what they described as a war zone, where they would have to run abnormal risks, in order to deliver their cargo at a port which the Chinese nationalist government had declared closed and as to which the Canadian government had advised all concerned that if they entered those waters they were liable to be intercepted by hostile air and naval craft, and also that mines had been laid.

We have all kinds of regulations to protect the man working in a factory, but here were men who had signed on for a sea cruise for a year. They were prepared to run all the normal marine risks which might be described as acts of God, such as hurricanes and tempests, in the course of their normal duties. Suddenly, without being asked to volunteer and without their consent, they were told they must enter a zone in which they would experience exceptional dangers because of the hostile attitude of the nationalist government. It does seem to me these seafaring men, who are required to sign on for a year and who may be punished with

jail sentences if they desert ship or seek to be paid off at other than a Canadian port before the end of that year, deserve more protection than they are getting at the present time. The mere warning to the ship owners by the government that vessels traversing these waters would be in danger seems hardly adequate to protect Canadian seafaring men.

With respect to these one-year contracts I noticed that the report of the maritime commission, in referring to the strike of Canadian seamen, had this to say:

> The system whereby owners and the union make an agreement governing wages and working conditions for one year allows grievances to be built up on both sides over that period, so that negotiations for the renewal of the annual agreement usually commence in an atmosphere of mutual hostility and mistrust. In our opinion many of the difficulties would be overcome by the establishment of a national maritime board, representative of both employers and seamen, similar to the national maritime board in the United Kingdom, which provides in effect for continuous negotiation of wages and working conditions at any time whereby grievances can be quickly dealt with through the operation of port panels.

I bring this to the attention of the government in the hope that this matter may be given consideration so that if it is practicable and desirable some amendment to the Canada Shipping Act may be introduced to deal with these points.

Just before I conclude my remarks I should like to stress the difficulties our seafaring men are experiencing at the present time due to the reduction in the number of vessels in the Canadian merchant marine. As everyone knows, our merchant marine has been drastically reduced, with the result that thousands of Canadian officers and seamen have been thrown out of their jobs. The reduction in the number of Canadian merchant vessels has also had a very serious effect upon the operations of the shipyards on Vancouver island, both with respect to shipbuilding and the repair of ships. As a result many men in these associated trades are also out of jobs. I do hope the government will lose no time in authorizing the commencement of work on the new minesweeper which it was announced last year would be built by the Victoria Machinery Depot Company, on which work has not yet begun. It will relieve the unemployment in those shipbuilding trades, and will help those men to bridge over a period of readjustment, which is causing them the greatest anxiety and the greatest difficulty, because many of them have to seek occupation in trades quite different from those in which they have been brought up from their early days of apprenticeship.

Mr. Raymond Bruneau (Prescott): Mr. Speaker, I believe it is a great privilege for any representative in this house to be able to rise and voice the opinion of those he has the honour to represent in the management of the country's affairs. In the name of the people in my constituency, I wish to support all those who have so eloquently and admirably proposed the adoption of the speech from the throne which, in itself, constitutes a vote of confidence in our present government. To those who have doubts as to the confidence which the people of Canada still hold in the party in power, and to those to whom the people have accorded acknowledgment in the form of such a huge majority on June 27 last, I would advise a trip through my constituency. It would soon convince them that the farmer, the workman, the man in business, and the man on the street, have greater faith than ever in this administration.

With regard to our leader, Mr. St. Laurent, my people, the majority of whom are of French origin, and our brothers of other extractions, hold him in the same esteem that our predecessors had for another outstanding Liberal leader, Sir Wilfrid Laurier. In that capacity, we all expect as much from him as those who came before us achieved through the Laurier administration. Let me congratulate, sir, our Prime Minister (Mr. St. Laurent) on the wonderful exposé he gave us while commenting on the speech from the throne. His great sense of duty and serious interest in finding a solution to our present problems are worthy of commendation.

I join with all my colleagues in congratulating the mover and seconder of the resolution now under debate, the hon. member for Kindersley (Mr. Larson), and the hon. member for Villeneuve (Mr. Dumas). I am sure that the province of Saskatchewan, and Canada at large, has reason for rejoicing in the election of this young representative from Kindersley, and are justified in entertaining high hopes for a promising career.

(Translation):

As for my hon. friend, the member for Villeneuve (Mr. Dumas), I wish to congratulate him heartily, on behalf of all my colleagues, for the wonderful manner in which he discharged his heavy responsibilities a few days ago. I feel, without exaggeration, that all the French-speaking members in this house were rightfully proud of their compatriot in whom they have great hopes.

(Text):

Before commenting further on the salient points in the speech from the throne, Mr. Speaker, it is my duty to give you certain information concerning the constituency I have the honour to represent. The county of Prescott is situated halfway between the capital city of Ottawa and the metropolis of

Montreal. It covers a strip of land equidistant between our two main waterways, the St. Lawrence river and the Ottawa river. Geographically speaking, I am sure it compares most favourably with any other constituency in our vast dominion.

Situated in what we call the golden triangle of the eastern tip of Ontario, in the midst of the Ottawa valley, the farming class which I represent in this house cultivate the richest soil on the North American continent. The largest centre in my riding, Hawkesbury, is an industrial city which has a population of approximately 7,500 people. Three highways pass through it. I hope that the Minister of Resources and Development will permit highway 17, which will form part of the trans-Canada route, to pass through this municipality. Highway 34 leads from Cornwall and the state of New York, and there is the interprovincial bridge which connects with the Quebec north shore highway.

My people can claim also the possession of the wickedest river in Canada, the Nation river. Unfortunately, every spring it floods the northwestern tip of Prescott. I would therefore ask the Minister of Public Works (Mr. Fournier) to embark upon a construction program to check this overflow of water. If that is not possible, I would ask the Minister of Resources and Development to implement a program of reforestation which could remedy the situation. I am informed that there are approximately 3,000 acres of waste land in the region which could be used for that purpose.

Furthermore, in the county of Prescott there are three airports; one in Pendleton, another in St. Eugene, and the third in Hawkesbury. The first two mentioned airports thrived during the war, and I am sure we could persuade the Minister of Transport (Mr. Chevrier) to find a way of putting those three airfields to good use. Considering all those assets, and the ideal geographical factors concerning my constituency, it will be seen it has undreamed of possibilities. I am sure therefore that the cabinet ministers will lend a sympathetic ear to any project I have the opportunity of presenting during this twenty-first parliament.

I was glad to hear in the speech from the throne, that the federal-provincial conference "marked a promising beginning in working out a satisfactory procedure for making within Canada whatever amendments to the constitution may from time to time be required." Let me say at once, sir, that since we have now done away with appeals to the privy council and have chosen to rely upon our own supreme court, Canada is now a truly sovereign country. I believe it would not be expecting too much to have, in the very near future, a national flag acceptable to all, towards which we could proudly lift our heads, and which would be a living symbol of the true sovereignty of our great Canada.

One was also pleased to hear in the speech from the throne that negotiations are well under way for the implementation of programs adopted during the last session respecting housing, the transcontinental highway and forest conservation. All these are great problems of urgent necessity. With regard to health facilities and services, which will be under consideration during this second session, I hope consideration will be given to passing a bill for the assistance of invalids.

In the international sphere, it is comforting to know that our country is giving "full support to the charter of the United Nations". We all hope that the Canadian delegation now attending the session of the economic and social council, to which Canada was elected at the last session of the general assembly, will do its utmost in co-operation with the other peace-loving countries represented at the world government to achieve a true and lasting peace and, if necessary, keep communistic Russia at bay. The seventh paragraph of the speech from the throne is a true indication of the will of our government to strive towards the achievement of peace. It reads as follows:

> The measures for the preservation of peace and the restoration and maintenance of prosperity contemplated by the North Atlantic treaty are being devised and applied as expeditiously as circumstances permit.

With that in view we are giving constant attention to the best use of our resources and the development of Canada's defence forces.

As regards employment, I believe that the security provisions established under unemployment insurance legislation are the best means to counteract the ill effects brought about by seasonal factors.

In the sphere of markets for our farm products, which have suffered from readjustments in the sterling area, we are securing other markets throughout the world; and I will say here, Mr. Speaker, that at a meeting with farmers of my constituency in Plantagenet on January 16 last, when I informed my people that we were trying to secure markets for our basic products on a cash and carry basis, I had occasion to find out that they were more at ease. I even went so far as to tell them that we should not meet with any difficulty in selling those goods abroad because they could compete with the exports of any other country in the world.

You may rest assured, Mr. Speaker, that I was more than pleased the other day when I heard our Prime Minister (Mr. St. Laurent) say in this house, as reported at page 58 of *Hansard,* that we were now striving to find markets—

> . . . for our increasing production; but we do not want to find markets which will absorb our products and give us nothing in return.

I will add here that it will please those I have the honour to represent, particularly those of the farmer class, to read further in the same speech of the Prime Minister:

> . . . those loans of Canadian dollars will eventually have to be either written off or reimbursed in commodities. We will have to take goods for everything owed us—or take nothing.

This is undoubtedly the right attitude; and with the preparations actively under way for further multilateral trade negotiations later in the present year, as stated in the throne speech, we will surely find better markets to the advantage of all. In this way, if we can assure our farming population of a steady income, it will in turn have the purchasing power necessary to buy the commodities manufactured in the factories by the working class; and we shall thus be in a position to avoid unemployment and ensure the true prosperity which we truly deserve, having regard to our position in the economic field and the wealth of our natural resources.

Finally, as a result of consideration of the policy concerning the control and the orderly decontrol of rents, let us hope that we shall be in a position to afford the worker housing within his means. In this manner and with Divine Providence blessing our deliberations, I am sure our great country will continue to go ahead and that all of us here, as legislators, will be in a position to make come true the prophecy of Sir Wilfrid Laurier: "The twentieth century will be the century of Canada."

Mr. F. S. Follwell (Hastings South): At the outset of my few remarks, Mr. Speaker, may I compliment the two young new members, like myself, who moved and seconded the address in reply to the speech from the throne. They have already been complimented, but may I join in complimenting them once more. They certainly did a really good job.

May I also congratulate the government on the progressive manner in which they have proceeded—as they usually do when the Liberal party forms the government—in establishing a Department of Citizenship and Immigration. I am sure all the members in this house agree that it is a department that can be of vital service in helping this great country of ours to achieve its ultimate destiny. In looking around for a man to head that responsible department I am sure the government have chosen the right one in the hon. member for Grey-Bruce (Mr. Harris), who has been privileged to serve in this House of Commons for a number of years. He is from a constituency that has thrived; he is from the grass roots of a farming community. He knows full well the humility and the greatness of Canadians.

May I refer to a remark that was made here this evening by the hon. member for Souris (Mr. Ross), who mentioned the fact that in the cabinet today there are no men with civic experience. As he has said so, it no doubt is so; I shall have to admit that I do not know whether that is right, but I presume it is. May I point out to the hon. member however that on the government benches there are many men who have served through the municipal offices in civic councils and who are at the present time serving in that capacity. I am pleased to say that I have had ten years' civic experience and was honoured by my own city of Belleville on three occasions in serving them as their chief magistrate.

Mr. Gardiner: I used to be mayor of my town too.

Mr. Follwell: May I say to the members of the opposition that with men with civic experience sitting on the government side at the present time and with those men joining in the government caucuses, the cabinet ministers have the ear of the people through their private members. Through my association of only this one term, I am convinced that the cabinet are prepared to listen to the requests from private members. I believe that our cabinet today is in that respect unlike the cabinet of the late Right Hon. R. B. Bennett.

In the debate on the address in reply to the speech from the throne I believe some latitude is allowed with regard to the subjects on which a member may speak. I should like to make just one or two observations with regard to experiences that I have been able to absorb through sitting in this house for one session. On the day on which I first came to parliament last session, I had the pleasure of visiting with one of the older members who had served for a number of years. He recommended to me that it would be wise to sit through the session and endeavour to absorb as much of the parliamentary procedure as possible and to observe the way in which government was carried on in the House of Commons. I admit that I still am a very new student of parliamentary affairs; but I assure hon. members that I am endeavouring to absorb, and I sincerely hope and trust that I shall have the opportunity

to continue, as long as I am here, to learn some of the things that are vitally necessary to the Canadian people.

I should like to bring to the attention of hon. members something which I think needs a bit of streamlining. I think the leader of the Social Credit party in this house said the other day that probably it would be a good thing if some of the parliamentary rules and regulations were streamlined. I believe that hon. members on all sides agree with these remarks. I am sure that I do. During the two openings of parliament that I have been privileged to attend I must admit that during the time that the speech from the throne was being read by the governor general I do not think I heard one word, and I doubt very much whether many of the hon. members who were standing at the rail in the Senate chamber heard anything more than I did. Therefore I would suggest and recommend that whoever is charged with the duty of seeing that it is done should see that we modernize at least to this extent, and instal a public address system if only on the occasion of the opening and prorogation of parliament so that the words of the governor general may be heard, and heard clearly. I would even go further than that and say that, in installing this public address system for the use of the governor general at the opening, it would be well to instal loudspeakers throughout the rest of the parliament building. I observed many hundreds of Canadian citizens here for the opening of parliament, who I am sure would have liked to hear the address of the governor general on the radio. I believe it would be good Canadianism and good public relations for this parliament to broadcast from coast to coast the ceremony of the opening of parliament. We now have ten provinces. The province of Newfoundland is the baby province of our great dominion of provinces. I am sure that all the people in Newfoundland are very much interested in the rest of Canada, as we are in Newfoundland. These people at the far end of our country may never have the opportunity, as you and I have, of attending the opening of parliament or even viewing these beautiful parliament buildings and the beautiful surroundings here in Ottawa. Since we have the government-sponsored Canadian Broadcasting Corporation I believe we should make the fullest use of it. We should bring to every citizen the opportunity of hearing a full word-picture of the complete opening of parliament at all sessions.

We might even go further than that. We might prevail upon the Canadian Broadcasting Corporation to broadcast on certain days the debates of this House of Commons. I am sure there are many thousands of people in Canada who would be pleased to take the time to listen to a broadcast coming direct, on the spot, from this house.

While speaking of the Canadian Broadcasting Corporation I should like to congratulate the Minister of National Revenue (Mr. McCann), who heads that department, on the way in which, under the direction of this parliament, his department is proceeding to establish television broadcasting stations. I understand that these stations are to be established in Montreal and Toronto in the first instance. I am sure that as time goes on more television stations will be established from one end of the country to the other, so that all people may enjoy the benefit and pleasure of television as they now enjoy the pleasure of radio.

In my constituency I find that there are many people who have television receiving equipment at the present time, but unfortunately they are limited as to the reception and the length of reception that they can get. I believe that in my constituency they are limited to two stations, Rochester and Buffalo, and these two stations are not very clear on the television screen. Therefore I compliment the minister on the way he and his department are proceeding to establish these stations. They will be a boon and a pleasure to all the people within receiving distance. But I urge this parliament to consider also the people who are at either end of the country.

In the constituency of Hastings South we have a Royal Canadian Air Force station. It is known as the Trenton air station. It is the largest Royal Canadian Air Force station in Canada. During the war, under the commonwealth air training scheme, the air force station at Trenton trained many of our Canadian boys and many of our allied boys from Great Britain, New Zealand, Australia, yes, and many who came to enlist from the United States.

In that connection may I pay a just tribute to the man who was then the Minister of National Defence for Air, namely, the hon. member for Quebec South (Mr. Power). It is a well-known fact that his leadership and his counsel made this scheme an outstanding achievement, and one that contributed in no small way to the winning of the great conflict. I am sure hon. members join with me in paying this tribute to the hon. member for Quebec South (Mr. Power).

On September 30 last, in company with the hon. member for Northumberland (Mr. Robertson), the county which adjoins Hastings, I had the pleasure of being present at the

dedication of the memorial gates commemorating the sacrifice made by the airmen of the British commonwealth air training scheme. I would urge every hon. member who has the opportunity of passing that way to stop and inspect those magnificent gates presented and erected by the governments of Great Britain, New Zealand, Australia and the United States. They are a work of art and an inspiration to all the young men who are now in training under the national defence scheme at the Royal Canadian Air Force station at Trenton.

Also at Trenton we have what is known as No. 6 repair depot. This is the largest repair depot maintained by the Royal Canadian Air Force, and is and has been of great value and service not only in the prosecution of the war but in maintaining the equipment necessary to keep the defence force on the alert in peacetime. May I add that upon the occasion of the opening of the gates at Trenton we were honoured by the presence of Lord Tedder, chief of air staff, as the representative of Great Britain.

Hastings is one of the greatest cheese-producing counties in Canada, and may I say with pardonable pride that in 1949 it led all other counties in this wide dominion in the production of cheese. Not only does it produce an abundance of that commodity but it is also noted for its production of apples.

During the recess of parliament, as no doubt did every other hon. member, I attended a number of farmer protest meetings dealing with the falling prices of farm products. I remember distinctly attending a meeting of the cheese producers association in our county, where the statement was made that there was a surplus of cheese. I suggested at that meeting that, through co-operative efforts of the dominion and provincial governments, it would be well to set up a method of merchandising cheese products. There was also a discussion concerning prices.

During my remarks I pointed out that I had—and I still have—the utmost confidence in the leadership of our Minister of Agriculture (Mr. Gardiner). I said to the people assembled there that I knew we could count on the minister to see to it that the farmers got a square deal. After my remarks I was followed by my good friend the member of the provincial legislature who said that the farmers did not want a fair deal, but that they wanted 30 cents a pound for their cheese.

At that time the support price of 28 cents had not been established. Soon after that meeting however it was established. This price was set up because the dominion government was prepared to pay a subsidy of three cents per pound above the contract price. At following protest meetings I said to my good friend who had pointed out that the farmers did not want a fair deal, but did want 30 cents for their cheese, that the dominion government had now seen fit to support the price at 28 cents and to provide a subsidy to the extent of three cents per pound. I stated further that in my view it was up to the provincial government of Ontario to pay two cents per pound so as to support the price at 30 cents—that is, on the assumption that a price of 30 cents is necessary. Indeed I believe it is, because it is my contention that no matter what is being produced, whether it be on the farm or in the factory, it must be produced at a profit.

Before the war the per capita consumption of cheese in Canada stood at three pounds while that in Great Britain was sixteen pounds.

I believe that with a proper merchandising scheme the per capita consumption in Canada can be boosted. Indeed I am informed that it has now risen to approximately five pounds per capita; and if it can be doubled to ten pounds I am convinced we will have no surplus problem. We would then have very little cheese to export and we could afford to give that away to help the unfortunate people in Europe.

I believe that all governments, provincial and dominion, ought to, and I am sure they will, co-operate in the merchandising of apples. If the per capita consumption of apples could be increased we would then be in the same position as we would be with cheese. We would have such a small surplus that we could give it away and yet everyone in Canada would be better fed and the producers would find their operations more profitable.

The dominion government has established a floor price of 38 cents a dozen for eggs and since that action was taken egg prices have tended to level off. I was informed only today by an hon. member that his wife had paid 54 cents per dozen in Ottawa for eggs.

Mr. Hodgson: She was taken in.

Mr. Follwell: She may have been taken in, but I submit that that gives a nice profit. I am sure that the producer who received the 54 cents did not feel that he had been taken in.

I am gratified to find on the order paper a resolution to set up a committee to study contributory old age pensions and the means test. This committee should also study the problem of those who are permanently incapacitated but yet have not reached the age at which they would become pensionable. There are a number of people in my constituency who have been stricken fairly early

in life but who at the moment are unable to claim a pension or allowance of any kind. I am sure that every hon. member has constituents in the same position. Many have been stricken with arthritis or have been incapacitated through accidents and, as I say, are not eligible for old age pensions.

I am pleased to know that we can look forward this year to a dominion-provincial conference which will lay the foundation, not only for a contributory old age pension scheme but for a contributory health scheme. I think those two matters are uppermost in the mind of every Canadian, and have been for a long time. I am sure that those matters are uppermost in the thoughts of many hon. members who have sat through previous sessions of parliament.

With the streamlining of our constitution no doubt it will be much easier to work with the provinces and it is hoped that before too long these social services will come into being. But I think the people of Canada should be informed that the extent to which these social services can go and the speed with which they can be brought into effect depend upon their ability to pay. All taxpayers should know that whether they are paying civic, provincial or federal taxes, all taxes are paid by the same taxpayers.

May I conclude by saying that I am still among the younger Canadians and I do not view with fear the future of Canada. I glory in its opportunities and I regret that our opponents are asking us to believe that we face disaster. I assure them that we look forward only to achievements. Canada is the greatest frontier now available to the world. We breathe optimism, not pessimism.

On motion of Mr. Weir the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue this debate.

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

HOUSE OF COMMONS

Wednesday, February 22, 1950

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

REDUCTION IN PASSENGER TRAIN SERVICES—COAL SUPPLY

Hon. Lionel Chevrier (Minister of Transport): On a question of privilege, Mr. Speaker, I should like to correct a statement I made yesterday, appearing on page 85 of *Hansard*, where I said:

> At the moment, and last year and the year before, the Canadian National Railways are purchasing as much coal as they can get from mines at both extremities of Canada.

I find that statement is only partially accurate, and I have also learned that the manner in which it was made might be unfair to the Dominion Steel and Coal Corporation. So far as 1950 is concerned, the statement as made was wholly accurate. So far as 1949 is concerned, I am informed that Dosco offered the Canadian National Railways 998,000 tons of coal, but the railways were able to place orders for only 646,000 tons. For the year 1948 I have no information.

Mr. Gillis: I should like to direct a question to the Minister of Transport, arising out of the statement he has just made. Can he tell the house why the Canadian National Railways could not stock the additional coal that was offered by Dosco?

Mr. Chevrier: The information that I have is that the reason is one concerning price. I believe that negotiations had been going on between the company and the railway as to the question of price, and because of that consideration it was not possible to take the full amount. Perhaps I did not say this, but in any event Dosco was not able to deliver the amount which the Canadian National Railways finally decided to take. They were some 90,000 tons short of the 646,000 tons. In fairness to Dosco I think I should say that, as the house knows, the output of a mine must be contracted for some time in advance, and if negotiations had been carried on earlier it might have been possible for Dosco to fulfil the total amount of the offer, namely, 998,000 tons.

Mr. Brooks: May I ask the minister a question arising out of his remarks? He used the words "in fairness to Dosco". Dosco produces perhaps eighty per cent of the coal produced in the maritimes. Are there contracts with any companies other than Dosco?

Mr. Chevrier: Yes, there are contracts with independent mines down there; I am not familiar with the position in that regard. By that I mean that I do not know the number of tons of coal they were able to furnish. It was drawn to my attention, however, that the statement which I made yesterday might be misleading with regard to Dosco, and I thought in fairness to them that I should make the correction.

ATOMIC ENERGY

EXCHANGE OF INFORMATION BETWEEN THE UNITED STATES, GREAT BRITAIN AND CANADA

On the orders of the day:

Mr. Gordon Graydon (Peel): In view of the International News Service dispatch from London carried in yesterday's Toronto *Daily Star*, which stated that the United States has suspended an agreement for the exchange of atomic information with Britain and that the ban might also apply to the exchange of such information with Canada, I would ask the Prime Minister whether the Canadian government has been advised officially or unofficially by the government of the United States of any intention or desire to suspend the existing agreement dealing with the exchange of atomic information.

Right Hon. L. S. St. Laurent (Prime Minister): I have not seen the dispatch to which the question refers, but there has been no intimation whatever from the government of the United States to the government of Canada that would have any bearing on the statements made in the International News Service dispatch.

Mr. Graydon: If I may ask a supplementary question, has there been any discussion between this government and the United States government with a view to having the restrictions under the McMahon Act partly lifted so far as we are concerned?

Mr. St. Laurent: I would not like to give a concrete answer to the question as put. There have been discussions, and there are constant negotiations between those who represent Canada and their opposite numbers in the United States about the most effective way of taking advantage in both countries of all information available.

Inquiries of the Ministry

WHEAT

DEFICIT ON 1945-49 POOL ACCOUNT—QUESTION AS TO REFERENCE OF WHEAT BOARD REPORT TO COMMITTEE

On the orders of the day:

Mr. P. E. Wright (Melfort): In the absence of the Minister of Trade and Commerce, I should like to direct a question to the Minister of Agriculture. Yesterday the report of the Canadian wheat board for the crop year 1948-49 was tabled in this house. In exhibit IV it is shown that there is a deficit on the 1945-49 pool account of $5,235,621.37. In view of this deficit, and of the borrowings which apparently the board has had to make from the banks to meet the last twenty-cent payment made to the farmers, will the Minister of Agriculture or the cabinet have this report placed before the agriculture committee as soon as it is set up, so that the report can be thoroughly studied and the reasons for this deficit ascertained?

Right Hon. J. G. Gardiner (Minister of Agriculture): There is nothing new in the statement which has just been made. The matter was discussed at the time the announcement was made that it would be necessary to borrow some of the money that would have to be paid out at that time. The payment was made on the estimate of what the position would be at the end of the year in order to meet the situation when the farmers required the money before they went into seeding. The same request was made yesterday with regard to this matter as was made last year. In order to meet that situation the money had to be borrowed in advance. There is nothing new about it. It is a condition that has existed in the past.

Mr. Wright: The minister has not answered my question as to whether this report would be placed before the agriculture committee when it was set up. The former minister of trade and commerce had promised that.

Mr. Speaker: Order.

Mr. Gardiner: My understanding is that the Minister of Trade and Commerce in previous years agreed to the submission of the report to the committee, but I think the matter can wait until he comes back and makes his own decision.

Mr. Wright: It has not been done since 1947.

FISHERIES

INQUIRY AS TO EXTENSION OF SMELT SEASON IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I wish to direct a question to the Minister of Fisheries. Why was the extension of the smelt fishing season not granted to the Prince Edward Island fishermen as it was to New Brunswick and Nova Scotia fishermen?

Hon. R. W. Mayhew (Minister of Fisheries): I will give an answer tomorrow. I did not know there was any change in the restrictions.

VETERANS AFFAIRS

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Veterans Affairs. In view of the representation of the Canadian Legion, is the government considering setting up a special committee on veterans affairs this session?

Hon. Milton F. Gregg (Minister of Veterans Affairs): No, Mr. Speaker.

COMBINES INVESTIGATION ACT

QUESTION AS TO PROSECUTIONS IN THE MATCH INDUSTRY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I wish to direct a question to the Minister of Justice. Can he say whether a decision has yet been reached in the matter of prosecuting those connected with the alleged combine in the match industry?

Hon. Stuart S. Garson (Minister of Justice): The answer is yes; a prosecution will be instituted.

(See also page 153.)

NATIONAL DEFENCE

TRANSFER OF ARMY PERSONNEL—HOUSING ACCOMMODATION

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): I should like to direct a question to the Minister of National Defence. In view of the fact that soldiers belonging to the permanent army must obey orders and move where they are directed, and there are men in the ranks with families moving to Ottawa, is any provision being made for the housing of these men, or must they continue to seek any shelter they can possibly obtain and pay exorbitant prices? Is any attempt being made to provide dwellings for these people?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): In the absence of the minister, may I take this as notice of the question?

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 21, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech

at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Hon. L. B. Pearson (Secretary of State for External Affairs): In rising to participate in this debate, Mr. Speaker, I should like in the first place to join with other members who have already spoken in warmly and sincerely congratulating the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address. They have discharged their duties in a manner which brings credit to themselves and, I am sure, satisfaction to their constituents.

In the speech from the throne reference is made to the international situation; and members who have already participated in the debate, notably the hon. member for Rosetown-Biggar (Mr. Coldwell), have enlarged on that aspect of the speech. If time permitted I should like to make some general observations on matters which have been referred to by other speakers, but on this occasion I will not do so. I hope to have an opportunity shortly, when the estimates of my department are called, to deal with some of the points which have been made by other hon. members during the course of the debate. Today, however, I think it would be desirable if I made a report to the house, as briefly as I can, on the visit of my colleague, the Minister of Fisheries (Mr. Mayhew) and myself, from which we have just returned, to Ceylon and certain other countries of the Far East which we were able to visit after the commonwealth conference at Colombo.

During that mission, Mr. Speaker, the members of our party travelled some 27,000 miles; and for a considerable part of that time we were in the efficient and courteous care of the Royal Canadian Air Force and a *North Star* plane of that air force. I should like to convey the thanks of the members of our party to the R.C.A.F. for the way in which they took care of us. The aircrew were a credit to their service in the air, and they were good representatives of their country when they were on the ground.

I should like also to express our gratitude to the officials who accompanied us on the journey, and who gave us that efficient, informed and industrious help which we expect from the public service of Canada.

During that trip, Mr. Speaker, we received very much kindness and warm hospitality from all the countries that we were able to visit. On this occasion I should like to acknowledge that kindness and that hospitality. We realized, of course, that it was shown to us not in our personal capacity but because we represented Canada, a country whose reputation and good name stands high in those parts of the world.

If I may I should like to divide the observations I am making today into two parts. The first part will be an attempt to deal with the commonwealth conference which took place at Ceylon in January. In the second part I shall deal with some matters of interest in our journey to countries in the far east after the conference.

The Colombo conference took place in the week of January 9. Its official title was: "Commonwealth meeting on foreign affairs." It was the first meeting of this kind that has been held. Of course commonwealth meetings on foreign affairs have taken place in the past. We have discussed foreign affairs at meetings of prime ministers; we have had discussions between heads of commonwealth delegations at United Nations assembly meetings; but this was the first time that a commonwealth meeting was held which was composed mainly of foreign ministers of commonwealth countries, and which dealt exclusively with questions of foreign affairs.

It was the first time also, Mr. Speaker, that a meeting of commonwealth ministers had been held on the territory of an Asian member of the commonwealth. This is a fact, I think, of some significance. It is a recognition of the fact that today the commonwealth has no fixed centre in London or anywhere else. It is a recognition also of the importance of the Asian members of the new commonwealth, whose culture and traditions are very different from those of the rest of us, but whose association with us in the commonwealth is of such great value and is so highly esteemed by the other members.

The fact that we met in Ceylon is also a recognition of the importance of Asian problems today, and of the necessity of looking at world problems from an Asian point of view as well as from that of Europe and the north Atlantic. It is just as well to remember that the three Asian members of the commonwealth at Colombo represented 440 million people, while the rest of us, in our home territories, represented only 75 million. This new commonwealth is providing not only a link between the Asian and the other nations that comprise it, but also a very valuable link between the east and the west.

During our conference, Mr. Speaker, we were the guests of the government of Ceylon; and we were grateful, as I am sure the other delegations were, for the hospitality that was shown to us by the government of Ceylon and for the arrangements which it so efficiently made.

The chairman of the conference was the Prime Minister of Ceylon, Mr. Senanayake,

who presided over our deliberations with urbanity and good nature, and did much to make our meetings a success. He introduced one custom which to me, at least, was new at international meetings, and I am not sure that it would not be a good idea to copy it at other meetings which I have attended and which have not always been characterized by the good nature and the friendliness of the one we had in Ceylon. When the discussions became a little, shall I say, overzealous, or when we began to get a little tired and lost some of our patience, it was the invariable practice of our chairman to bang the gavel and say: "We will now have a cup of tea". That happened normally three or four times a day, and it proved to be a very useful expedient indeed. I think it might be introduced at Lake Success.

The agenda at our meeting at Ceylon was short, and the subjects set down for consideration were very broad. The agenda included the following questions: The general international situation; Chinese situation; Japanese peace treaty; situation in southeast Asia and the situation in Europe, more particularly the development towards European political and economic union, and the effect of such development on the commonwealth of nations.

In the discussion of these subjects we held eleven meetings. The discussions were informal, friendly, and frank. Straight talk was possible at this meeting because a good understanding existed between the participants. We could disagree, and we did disagree, without danger of anyone wanting to walk out. There were no appeals to passion or prejudice, because there was the honest desire, as is customary at commonwealth meetings, to get together. There were no appeals to the gallery, because we did not have a gallery.

So far as the value of these discussions is concerned, it is true of course to say that nothing spectacular resulted, nor was anything spectacular intended. Commonwealth discussions now do not customarily result in spectacular decisions; in fact they do not result in decisions at all. They result in recommendations to governments for the consideration of those governments. The recommendations made at Colombo are now before the various governments for any action they decide to take.

No single policy was laid down or was attempted, on any of the questions before us at Ceylon. We listened to each other's points of view, and I think that we gained something from doing so. An exchange of views of this kind between governments representing countries from five continents of the world—from Asia, from Europe, from Australasia, from Africa and from North America—is bound to be useful in modifying points of view which may have been held prior to the meeting.

So far as the Canadian delegation was concerned, we inevitably tended to give the North American viewpoint on the political questions which were discussed, and a dollar viewpoint on the economic questions. Though we all had our own point of view, a discussion of this kind helps to correct the inevitable distortions in our thinking which may arise, in the case of Canada, for instance, because we have traditionally looked on the world from the north Atlantic, North American viewpoint of a people whose civilization for the most part comes from that of western European Christendom.

The fact that the discussions were held at Ceylon was particularly valuable at this time, because, as I see it, the centre of gravity in international affairs has, to some extent at least, moved to Asia. What I mean by that is simply this: In my view the advance of Russian communist imperialism has been stopped in Europe, at least for the time being. It has not been stopped in Asia, where it is now trying desperately to win power over those millions of people, by allying itself with forces of national liberation and social reform.

It has had great success in China. Until now, continental China, at least, is under the control of a communist government which is allied to Russia. In spite of the publication of the recent Russian-Chinese treaty we are not yet however quite certain what form the alliance has taken. The nationalism of the people of Asia has now finally and fully asserted itself. It is even true to say that in some quarters in this part of the world, people, if they were forced to make the unhappy choice, might prefer even communism to a return to colonialism. The existence of this feeling is recognized now by the nations of Europe and America.

The political mould into which south and southeast Asia was gradually poured during the years following the European incursions four hundred years ago, or more, has now been broken finally, and the great colonial empires of the nineteenth century have either disappeared from that part of the world or are in process of disappearing. No one yet knows what pattern will emerge from that disappearance. No one can be certain, as I see it, that the independence which the people of this area are now exercising can in all cases be maintained in its present form, or whether their internal problems will prove so great that, through weakness, they will fall

prey to confusion, to disorder and to those subversive forces which try to provoke, and certainly know how to exploit, such a situation.

At the present time the countries of south and southeast Asia are making impressive efforts toward the establishment of strong modern nation states, and we of the western world should do what we can to encourage and to assist these efforts. This surge of nationalism in Asia has resulted in political independence for twelve—and if you include Indo-China for fifteen—Asian states in less than twenty-five years. The political danger from this is that, exploiting this movement, communist expansionism may now spill over into southeast Asia as well as into the Middle East. In my opinion there is no more important question before the world today than this possibility.

The social and economic danger arises out of the fact that the people out there are learning that independence is not enough. The agitation for freedom has stirred up in them other desires; for improvements in their conditions of life; for a change from distress, privation and even starvation; for a change from a life expectancy of twenty years and an average income of less than $50 a year. These new democratic governments are attempting to meet these new hungers, these new hopes, these new demands. There is danger not only to their own countries, but to the rest of the world, if they do not succeed in that attempt. But they are meeting these dangers as responsible, free, democratic governments, proceeding stage by stage, without, as they progress, destroying the framework of society or of government.

Communism, however, in Asia as elsewhere, is irresponsibly trying to capitalize on misery and distress and the understandable impatience for change, by promising not only immediate freedom where colonial status remains, but, where freedom has been achieved, a better life at once if only the people will rise in their might and create the chaos out of which communistic rule may emerge. In India, China and Burma, which are now free states, the appeal is to a fuller and better life at once; in Malaya and Indo-China it is to political freedom. Both appeals are strong, for millions of Asian people do not know that from communism both appeals are false.

It was in the light of these conditions that we discussed the situation in various Asian countries at our conference in Ceylon. Malaya, where the situation is now better—although communist bandits, and it is right to call them that in Malaya, are doing their best to dislocate economic life—is moving ahead to ordered independence under the fine and distinguished leadership of a man we know both well and favourably here in Ottawa, Right Hon. Malcolm MacDonald.

In Burma, which is now free, but which is rent, not by civil war but by civil wars, the position is difficult indeed. Indonesia, now free, and recognized by Canada as a free state, is being attacked by forces from the right and forces from the left. It is having a difficult time. Then there is Indo-China which I propose to discuss separately, because it is a very important point in that part of the world.

It seemed to all of us at the conference that if the tide of totalitarian expansionism should flow over this general area, not only will the new nations lose the national independence which they have secured so recently, but the forces of the free world will have been driven off all but a relatively small bit of the great Eurasian land mass. In such circumstances it would not be easy to contemplate with equanimity the future of the rest of the world.

That, then, Mr. Speaker, was the background against which we held our discussions in the lush and lovely island of Ceylon. Now a few words, if I may, about the understandings and conclusions we reached as a result of those discussions.

In the first place we agreed at Colombo that the forces of totalitarian expansionism could not be stopped in south Asia and southeast Asia by military force alone. They cannot be checked, if, through stupidity or shortsightedness on the part of the democratic powers, totalitarianism is able to ally itself successfully with the forces of national liberation and social reform. If southeast Asia and south Asia are not to be conquered by communism, we of the free democratic world, including the Asian states themselves which are free, must demonstrate that it is we and not the Russians who stand for national liberation and economic and social progress.

The problem, then, for these states is to demonstrate that they can improve, by democratic methods, the standard of living of the masses of their people. That is their problem—one of self-help. But there is also our problem, that of mutual aid.

The conference discussed that problem. We agreed, for instance, to recommend financial help for the state of Burma which had been a subject of discussion among the sterling countries before the conference met. The Canadian government was not included

in that earlier discussion. The question is one of a sterling loan to strengthen the financial position of the Burmese government. We are now considering here the position of dollar Canada in relation to that sterling loan. Our special position in this regard was recognized at the conference.

One of the important developments of the conference was the recommendation to set up a commonwealth consultative committee for south and southeast Asia. I was vividly impressed during my brief transit across this area after the conference by the need for capital development in all the countries stretching from Pakistan to Indonesia. There is a great need to increase agricultural yields through the introduction of irrigation systems and the greater use of fertilizer; also for the establishment of at least some new industries. I was impressed also by the very great need for technical help in those countries.

But if the need is obvious, so are the difficulties. In fact, most of the difficulties arise from the very magnitude of the need. There are so many development projects which clamoured for attention that it is very difficult to decide what should be done. Further difficulty is created by the comparative inexperience of the administrative systems of most of these countries. It is only natural that for some time after obtaining experience, these countries, which are so old in history and tradition but so new to full sovereignty in the modern world, should have to struggle with many administrative problems, which inevitably complicate the task at the present time of long-range planning to raise the standard of living.

Already in this field some useful work has been done by the United Nations in listing and analysing the economic needs of this part of the world. The United Nations four point program, as we call it, also has a bearing on this problem. The economic commission for Asia and the Far East, the international labour office and the food and agricultural organization are all working in this field. Therefore I think that we must be careful in setting up any new agency to avoid overlapping or duplication. We do not want a new committee merely because it looks like an attractive piece of international furniture for an already cluttered-up home.

Yet it is hoped that this new committee which was recommended to the governments at Colombo will be practical and useful and in its results go further than any previous agency in that area. It is hoped that before long the committee will be able to relate the needs of these countries to the possibilities of financial and technical help. But it should be understood that in considering the problem of what the commonwealth countries can do through this committee to help the area—and I attempted to make this clear at Colombo—the contributions of members of the commonwealth will have to be determined in the light of their financial commitments, not only in this area but elsewhere.

We in Canada have undertaken, along with the United Kingdom, heavy responsibilities in the north Atlantic region which are not shared by other members of the commonwealth. I suggest that those responsibilities must be a first charge on that portion of our national production and income which we may be able to apply as a form of mutual aid toward the support of other countries whose systems of government are similar to ours and which, like us, are threatened by totalitarian aggression. But, within the limits imposed by those prior responsibilities, we in the government are now investigating ways and means of co-operating in the work that might be done if and when this consultative committee is set up. When a further meeting is held in Canberra, probably shortly, to discuss this matter, the Canadian government of course will be represented.

The establishment of this committee represents only a small beginning, although small beginnings can lead to great results. I do not conceal my own belief, however, that any such committee must have a broader basis than the commonwealth; that unless the co-operation of the United States can be enlisted in its work, its accomplishments may prove to be meagre.

However, the commonwealth nations have on this occasion taken the initiative and I think that is all to the good. I think also that the initiative was a sound one, and that the step we have taken may prove to be a valuable one. It certainly is in the right direction.

Now a few words about the situation in Indo-China. We had a thorough discussion of that at Colombo, and we had vigorous differences of opinion as to what the situation was and what might be done to meet it. However, we all agreed that Indo-China occupied a key position in southeast Asia, politically because of the clashes that have occurred there between the communists and the nationalists, and economically because this country is the rice bowl of that part of the world. The communists are now making their greatest effort in Asia in the state of Viet Nam, which is one of the three in Indo-China, the others being Cambodia and Laos.

If for no other reason, our very close and friendly ties with France would ensure our

special interest in the progress toward freedom in that area which the French government are seriously sponsoring, and for which I think they deserve our gratitude. We must be concerned, however, over the long continued disturbances in Viet Nam. I hope that these will soon be ended. I feel that the recent ratification by France of the agreements which it had entered into with the three Indo-Chinese states is a commendable step forward in the attempt to restore peaceful and stable conditions in Indo-China. I believe there is good reason to expect that these agreements, which set up three autonomous states within the French union, will provide a means by which the national aspirations of the people of Indo-China will be met.

More particularly we wish the government of Bao Dai every success in its efforts to bring unity and freedom to Viet Nam in the face of a serious communist menace, which has become a greater menace because of the political support it is being given by the U.S.S.R. and communist China. We recognize that only under the autonomous government of Bao Dai has Viet Nam at this time the opportunity to acquire freedom and unity and stability.

Then we came to the question of China, which also caused much discussion. In my review on November 16 last in this house I made some observations concerning the nature of the communist revolution in China, and also about some of the great underlying mutual interests which would always serve as a bond between the Canadian and Chinese people, regardless of such changes in government as might take place in China. I spoke also about the factors that had to be taken into account in weighing the question of recognition.

Since then four commonwealth governments—the United Kingdom, India, Pakistan and Ceylon—and a number of the western European governments, have accorded *de jure* recognition to the Peiping regime. At Colombo there was a frank and useful exchange of views between those commonwealth governments which had not recognized the Peiping government—Australia, New Zealand, South Africa, and Canada—and those which had. There was also discussion of future relations with China. From our point of view it was very helpful to have the points of view of the Asian members of the commonwealth on these questions.

The fact that some governments have recognized the new regime in Peiping and others have not has created an awkward situation in the United Nations and other international bodies; one which may become even more awkward in the not too distant future.

The Soviet delegations, in an exhibition of childish arrogance, have now withdrawn from United Nations bodies until such time as the representatives of the Peiping government are admitted in place of the present nationalist representatives. This is a form of pressure which, of course, we can only condemn, and care must be exercised to see that the precedents which are created in dealing with this change of government in China do not give rise to further and greater difficulties in the future when analogous problems may have to be faced elsewhere in the United Nations.

This whole question of recognition of the Peiping government is now before the government, which is giving it active consideration in the light, among other things, of the report that I have made to the government, on our recent discussions in the Far East. At the moment I can say no more than that on this question.

We also had a pretty thorough discussion of the question of a Japanese peace treaty. Hon. members will recall that during my review of external affairs on November 16 last I said that, in spite of the difficulties to be overcome in convening a Japanese peace conference, I thought there might be even greater dangers in its indefinite postponement, and I hoped that another effort might be made to push forward with that conference. Since that time I have had an opportunity to discuss this problem at the Colombo conference, and also during my short but very interesting visit to Japan, where I talked about it and many other subjects with that most distinguished American, General Douglas MacArthur. As a result of those talks I am now more impressed than ever with the need for seizing every opportunity that might lead to a satisfactory early settlement with Japan. The occupation of Japan has continued now for more than four years. During that period the physical demilitarization of Japan has been thoroughly accomplished. Indeed, the act of stripping away from Japan her overseas possessions was itself a drastic curbing of Japan's war-making capacity. The punitive and preventive side of the occupation has, I think, been virtually completed. The Japanese have made many changes in their domestic legislation, in compliance with allied directives of the eleven-power Far Eastern commission which meets in Washington. They have subscribed to all orders of the occupation regime, and have taken the steps which were demanded of them.

I do not mean to conclude from this that the Japanese by now, in the course of four years, have completely changed their habits of thought, their approach to politics, and

their way of life, although there appear to be some in Tokyo who think this has happened. Whatever may be the truth about this, it is clear that the Japanese have fulfilled pretty well the requirements that have been imposed upon them by the occupation, and it seems to me that from here on we must give them some incentive to maintain and strengthen the democratic way of life, and to wish to maintain close and friendly relations with the western world. I suggest our security lies in this as much as in keeping them disarmed. This point of view was brought very forcefully to us by the Asian members of the commonwealth in their observations on a peace settlement with Japan. The other point of view—or more accurately, if you like, the other emphasis of the same point of view—was given by the Australian and New Zealand representatives at Colombo, who were anxious, as indeed we all are, that Japan should not be restored to a point where she could again become an aggressive power, and that the peace treaty should include clauses designed to prevent this.

Perhaps this prolonged occupation period will have served a purpose in enabling us to acquire a better perspective on the type of peace treaty we should make with Japan, which will, we hope, be a lasting one; one that should be realistic but not one that would be bitterly opposed as unjust by the Japanese people. We know the damage to peace and security that such a punitive peace treaty can cause. I am persuaded myself that, from here on, the disadvantages involved in military occupation, of which I have spoken before, will outweigh the advantages, and that a point of diminishing returns has been reached, if not passed. Therefore I hope that all governments interested in a peace settlement with Japan will not overlook any opportunity to further this end, even if—and this would certainly be an undesirable alternative, a second best—we had to have a peace conference with some powers absent because they refused to accept reasonable conditions for participation on which all other powers were agreed.

I was interested to note that the recently signed treaty between the Soviet union and the Peiping government contains an article providing that these two governments will expedite the signature of a Japanese peace treaty jointly with the other powers allied during the second world war. I should like to be able to take this article at face value, as indeed I should like to be able to take the other articles of that treaty at face value. As you know, the greatest difficulty in the way of the conclusion of a peace treaty with Japan in the past has been the difference of opinion with the Soviet union over the procedure to be followed in the drafting of the treaty and the holding of the conference. Recently there has been added a further complication, as to which government from China, nationalist or communist, should represent China at the Japanese peace conference. China suffered most grievously at the hands of the Japanese aggressor, and, as Japan's most important neighbour, she cannot be ignored in any lasting peace settlement with Japan. The Canadian government is certainly anxious to see both the Soviet union and China play their full part in a Japanese peace conference which could never be a completely satisfactory one without them. But in this conference, as in other international conferences, we cannot accept dictation by one or two powers through arbitrary use of their veto. If such dictation is insisted on by these powers, I suggest we may have to go along without them.

We in Canada recognize that the United States government has a primary responsibility in respect to the settlement with Japan, and I gave expression to that recognition when I talked about this matter at our conference at Ceylon. For this and for other reasons I was particularly glad to have an opportunity to exchange views on this subject with General MacArthur in Tokyo. As a result, I hope now, more than ever, that all the recent statements that have been made favouring an early settlement with Japan will soon result in action, and that at least one major problem may soon be erased from our slate of problems in the Pacific. I may add that I found no objection in Tokyo from any quarter to this view of the desirability of a Japanese peace conference at the earliest possible day.

These were the main political subjects that we discussed at our conference; but we also talked about economic and financial questions. Some of these came up in the course of the discussion we had on the European situation, on developments towards European economic unity; the part that should be played more particularly by the United Kingdom in that development, and how the United Kingdom could reconcile her European and her commonwealth positions. Mr. Bevin, the foreign minister of the United Kingdom, who played such a wise and important part at our conference, made a statement on this matter. A statement was also made by the Canadian delegation on the same subject. It was, I think, the only formal statement we made at the conference. I should like to put on the record some excerpts therefrom, because I think it deals with an important

matter of international economic policy. I should like to quote as follows from the statement I made at Ceylon:

For our part—

That is the Canadian delegation's part, and it is also the policy of the Canadian government.

—we welcome the prospect of closer economic co-operation among the countries of western Europe. Such a development might be expected to contribute to the military strength of the democratic countries concerned and also, by eliminating uneconomic production and encouraging competitive efficiency, to hasten the day when they would no longer require extraordinary financial assistance from abroad. It would also restore to countries occupied and ravaged during the war that sense of hope which they need now more than they need United States dollars. Western Europe could once again look forward to playing in the world the great role for which its history and the resourceful intelligence of its people qualify it.

During the past few months a great number of proposals for closer economic co-operation in Europe have been put forward. Some of them are perhaps as frivolous as the names they bear. Others, however, are more solidly based and deserve careful examination.

In examining them I would suggest that two tests should be applied. First of all it should be determined whether the plan has substantial content or is merely a gesture. Does it take account of present-day economic realities in western Europe and the rest of the world? Is it likely to further the ends which it purports to serve? Secondly, each plan should be tested against the criterion of whether or not it will lead to a progressively wider co-operation in trade and other economic matters between all the countries in the free world.

Some of the proposals made recently seem to my government to be as likely to encourage the development of new high-cost industries and increased high-cost agricultural production in Europe as to lead to the objectives of greater efficiency and lower costs and prices at which they purport to be aiming. What must be avoided is the creation of a closed, high-cost, inflationary economic bloc, whether a sterling bloc, a commonwealth bloc, a European bloc, or a North American bloc, which would make progress toward a wider multilateral system of trade and payments more difficult. We recognize, at least under present conditions, the advantages to world trade of the sterling area. We have always contended, however, that the sterling area as we know it today should be regarded as a transitional stage on the way to a trading system where currencies will be convertible and where exchange controls and quantitative restrictions will be drastically reduced. In the same way I would argue that any new economic bloc which might be set up in Europe should be so designed as to facilitate rather than retard progress towards this goal.

It is often said in Canada that, in the short run at least, such a bloc might do some damage to Canadian trade. I would hope that it would not be serious. Nevertheless, it might be better for us in Canada to suffer some temporary disadvantages rather than to see the prospect of closer economic co-operation which we believe to be necessary in western Europe made impossible because the United Kingdom is unable to participate.

During the conference there were also economic and financial talks carried on by officials of the delegations represented there. They were carried on at the same time as the ministerial talks, and the reports of those discussions have been made directly to the ministers of finance. We were fortunate to have highly qualified experts at these talks, and they took an active part in them. They concerned in the main the present position and future prospects of the sterling area. The Canadian position with respect to participation in talks of this kind was, if I may say so, a little equivocal. It certainly was not the same as that of the other participating representatives, who without exception came from sterling areas. In fact our role at those talks, if I may put it that way, was that of a persistent but very friendly dollar gadfly. We made clear to the others that naturally we could not be associated with any efforts of the sterling countries to reduce imports from Canada as a dollar country, but we hoped that the balance which we admitted they must achieve could be brought about, at as high a level as possible, by increasing dollar earnings through increased exports to dollar markets, and by encouraging the inflow of capital investment from dollar sources.

Other subjects discussed at these talks were the short-term prospects for the sterling area on dollar account; forecasts of dollar earnings in the year ahead; the sterling balances, especially those of Pakistan and India, and the effect of those on the United Kingdom financial picture; the over-all as well as the dollar deficit of individual sterling area countries. These discussions were useful, and I hope will help in solving these important financial problems which face the commonwealth countries today.

So much, then, for the Colombo conference itself. After that conference my colleague the Minister of Fisheries and I, with our officials, had an opportunity to visit a number of countries in the Far East. Wherever we visited, we attempted to discuss trade as well as political questions of mutual interest. I think hon. members will agree that in Canada there is a growing interest in the potential demand for Canadian products in the Asian market; and of course we share the great interest of the western democracies in the development of trade with Asia as a means of contributing to the growth and stability and healthy economic development of that part of the world which is so important to us. In addition, an increase in our trade with the countries of Asia would serve in our case a dual purpose. To the extent that imports into Canada from the countries of Asia could be alternative to imports otherwise made from the United States, that would assist us to balance our trade with the United States and would

provide those countries of Asia with exchange for the financing of additional Canadian imports.

On this aspect of our journey I hope my colleague the Minister of Fisheries will report later in this debate in more detail. On our journey every effort was taken to explore the possibility of increasing and expanding Canadian trade with the countries visited. Without exception, wherever we went we found not only a great friendship but a lively interest in achieving that objective of greater trade. In Tokyo, for instance, we had one discussion with General MacArthur devoted exclusively to trade matters, and he expressed his great desire to do what he could to increase Canadian-Japanese trade. He added —and this is an addition which will be of particular interest to my colleague the Minister of National Revenue (Mr. McCann)— that there was no desire in Japan to indulge in commercial chicanery of the kind that disturbed us in Canada so much in the years before the war. He went on to say, and I hope he is correct, that we now had a guarantee against dumping by Japan in the removal of government subsidies on the one hand and the building up of the trade union movement, with protected wages, on the other. Therefore he considered that Canada need not fear in the future the menace of Japanese trade of the pre-war variety, but could rather look forward to trade built on a sound basis of mutual benefit. I told him that was the kind of trade, and indeed the only kind, in which we were interested.

I apologize for trespassing on the indulgence of the house. I must have long since exceeded the time allotted to me under the rules.

Some hon. Members: Go on.

Mr. Pearson: I should like to say just a word about one or two of the countries we visited on the way back; and the political situation we found there. After the conference, we first visited Pakistan. We were all very much impressed by the drive and energy of the essentially frontier, desert town of Karachi, where the capital of a new nation is being constructed in a hurry and in the face of terrific obstacles. The achievements of two years in that country of Pakistan have been notable, to say the least. The difficulties facing Pakistan are very great, but they are being met in a spirit of eager and deep patriotism. In fact, to those people Pakistan seemed almost as much of a religion as a state. I know that all hon. members will be glad to know that the Prime Minister of Pakistan, who is one of the great statesmen of that part of the world, on his trip to this continent will before long be visiting Canada as a guest of the Canadian government.

We left Pakistan after an all-too-short visit, and our next stop was India. He is indeed a brash person who attempts to say anything about India on the basis of a visit of two or three days; but it was impossible not to be impressed by the potentialities as well as the problems of that great country. We stayed at New Delhi, but we had the opportunity also of seeing something of Indian village life, where life goes on as it did centuries ago, though even there the people have been stirred. We spent in New Delhi the last three days of the old era of India under the crown and we left New Delhi the day the republic was proclaimed.

My colleague and I had the privilege of attending in New Delhi the last state dinner given, in the state dining room of the viceroy's palace, to the last governor general of India under the crown; to Mr. Rajagopalachari, the colleague and disciple of Gandhi for so many years. It was difficult to visualize in him the last in a long line of succession from Warren Hastings, with whom indeed he had little in common. I think all of us felt that the atmosphere that night was heavy with history. Yet it was good to know that the break with the monarchy which was occurring the next day was not a break between peoples; in fact, the relations between the Indian people and the other nations of the commonwealth are probably on a friendlier and stronger basis now than they have been for generations. Mr. Nehru, that great man and great Prime Minister, was presiding that night at this dinner. He had himself been the king's guest at Buckingham palace and in various of His Majesty's jails; and when he rose and proposed the king's health, we felt that it was no empty gesture. I am sure, Mr. Speaker, that we in this house and in this country wish the people of India well; we wish for them good fortune and great success as they face, as a republic, the great opportunities and the difficult problems which lie ahead for them.

There was, however, one shadow which fell across our proceedings in Ceylon and our visit to Pakistan and India; that was our knowledge of the existence of a number of serious and stubborn disputes between the governments of those two countries. These questions were not, of course, included in the agenda of the conference; and none of us considered it his business to attempt to intervene in them. There were, however, occasions to discuss these questions privately and informally at the conference, and later in Karachi and New Delhi. I myself was reassured by

the frankness with which both Indian and Pakistani leaders talked about them, and by their insistence that sooner or later they must find peaceful and just solutions for them. But I could not help being distressed by the intensity and bitterness of feeling on both sides in regard to these questions, and by the wide and serious differences which must be bridged before there is reconciliation.

I was distressed also, as I think any visitor would be, by the serious consequences which flow from the continuation of these disputes, which are spreading enmity between the people at a time when they should be concentrating on the many things they have in common. The disputes are also, I am afraid, destroying the natural economic links which exist between these two countries; they are causing the sacrifice of valuable markets in North America, and they are jeopardizing the solvency of the sterling area as a whole.

Our concern for these problems as Canadians is direct and urgent, because these countries are both friends and associates of ours in the commonwealth, and because we know that the dangers to peace and welfare in the Indian subcontinent are also dangers to the peace and welfare of the whole world. The governments of India and Pakistan themselves must, of course, find a means of settling their disputes over Kashmir and other questions. If, however, there is any way in which we can assist them in finding a solution—and I think we in Canada have given an earnest of our good intentions in this regard—we in the government shall certainly be glad to do what we can. We have already, through our participation in discussions in the security council of the United Nations, where our representative, General McNaughton, played such an active and constructive part in attempting to solve this problem, made one effort to assist; and we regret that it did not prove to be more successful. We must hope, however, that the fine qualities of statesmanship which the leaders of both India and Pakistan have already displayed will make it possible for these two great countries to work out, by accommodation and adjustment, solutions to the disputes which now so unhappily divide them, and that they will therefore be able to continue to make an important and progressive contribution to the political life of Asia and the world.

When we left India we were on our homeward journey from Burma, which is an unhappy country today; to Malaya; to Hong Kong, where on a few square miles around a rock are clustered more people than inhabit the dominion of New Zealand; from Hong Kong to Tokyo; and from Tokyo home.

In conclusion, I should like, in a word, to attempt to give you a general impression which I am afraid will be almost as confused as this statement has been. I feel certain, however, of one thing—and I am more certain of it now than I was before I left Ottawa on January 2—namely, that a great tide is moving in the affairs of more than one-half of the population of the world who live in Asia; a great tide which can lead to progress, peace and good things, but which also, if it sweeps in the wrong direction, can lead to chaos, reaction and destruction. But whatever the result, Mr. Speaker, our own country, Canada, which once may have seemed to be so remote from these matters, and which now stands on the threshold of such great developments, will be deeply and directly affected by the outcome of what is now going on in Asia.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the house has listened to a very important and interesting statement from the Secretary of State for External Affairs (Mr. Pearson). Since we in this part of the house have sought at all times to keep our external affairs on a non-partisan basis, perhaps the house will fully understand me when I say that if in this country we must, unfortunately, it seems, for the next several years, have a Liberal administration, nevertheless we are very glad that in that Liberal administration the portfolio of external affairs is in the very capable hands of Mike Pearson.

Sir, first, his review has emphasized again what is one of the miracles of all time, namely, the adaptability to changing conditions of this British commonwealth of nations, which, within the past year and a half, has extended its reaches to embrace three new partners in Asia. It seems to me that what he had to say to us this afternoon emphasizes again how valuable a contribution that commonwealth, buttressed, as it is, with the presence and active participation of these three great new partners, has made, and what a beneficent mission it has to fulfil for the benefit of all mankind. Think, sir, what a truly marvellous thing it is that our partners in India, whose leaders only so short a time ago were suffering confinement in prison because they were at variance with the policies of Britain, now find it in their hearts to dismiss all thoughts of bitterness and to regard British representatives, as well as those from the other partners of the commonwealth, as brothers, and to work with them toward common ends for the good of all mankind.

About four months have passed since this house last debated the vitally important subject of Canada's external relations. The

gravity of the world crisis has not abated in those four months. It is true there has been a stabilization of the situation in Europe, due in no small part to the success of the North Atlantic pact; and we may well, sir, derive useful lessons in establishing policies with respect to other quarters of the globe from the success which has already attended that agreement among the western nations. It is true that the communists are not inactive in Europe. It is true, sir, that in those unhappy countries behind the iron curtain the persecutions are still going on, and the trials which are a travesty of justice. Nevertheless, in a broad sense stabilization has been achieved. But southeast Asia has now become the cockpit of the world and in what has been happening in China, to the extent that events there indicate that the government of that great nation and of that great peace-loving people has come under the direct influence of the Kremlin, it does represent a major catastrophe for all mankind. We wish the people of China well. We know that there were grave faults in the previous government but we do want to see the independence of China maintained. Whatever government she may choose for herself, it is vital to the peace of the world that it be under no submission to the Kremlin.

And, sir, in those countries south of China which were visited by the Secretary of State for External Affairs, we see events unfolding similar to the plan of those that we saw unfolding in Europe in recent years. Civil war, well, yes, civil war sponsored by the communists. Yes, communists never operate simply on an internal basis. Communists are always operating internationally because they take their orders from the Kremlin, and as the communists of these countries are deriving succour and support and material assistance from the communist forces to the north and the communist forces of Russia we see there, sir, a situation that is fraught with the utmost danger for the peace of all the world. Every day we find increasing evidences and naked exposure of the determination of the Kremlin to dominate the whole world. India today occupies a pivotal position in this situation that is developing in southeast Asia. It brings heart and courage to us all, I am sure, sir, to hear the kind of report that the minister brought to the house this afternoon as to the great strides that are being made by these three new partners in the commonwealth, namely, India, Pakistan and Ceylon.

The minister concluded his remarks with a summary of one or two sentences. Sir, I am going to draw this lesson from his statement and from events in that part of the world as one has watched them in these recent months. It is the lesson that was learned in Europe not long before, that while we may deplore the necessity of building armaments, while we may deplore the necessity of colossal expenditures upon armaments, the fact remains, and is incontestable by anybody, that we in this country dare not be unprepared for any eventuality. We cannot trust communist designs either abroad or in Canada.

Now, sir, a word about certain matters that touch us directly in this house. At the outset of this new session I should like—and it is in no perfunctory way that I do it—to extend my congratulations to the hon. members for Kindersley (Mr. Larson) and Villeneuve (Mr. Dumas), who moved and seconded the motion that is under debate.

I should like to extend my hearty congratulations to the new Minister of Citizenship and Immigration (Mr. Harris); and if the Prime Minister (Mr. St. Laurent) will accept them, my congratulations to him on having made such a good choice. It is a happy thought, sir, that in this portfolio two kindred subjects, immigration and citizenship, are directly united.

If I have any criticism of immigration policies in the past, it is less on account of questions of numbers or terms of admission than it is of the fact that so often, when we have admitted to our shores those who came here by choice and in accordance with the laws of this land, after they have arrived they have been ignored. They have not received at the hands of Canadians that welcome and that consideration which ought to be extended to them, when we realize that these are to be our fellow-Canadians. When they come to these shores to make their homes here now and in the future they come here as Canadians-to-be; and, sir, it is in that spirit, it seems to me, that we should at all times receive them.

In this country we want to build unity on the sure foundation of tolerance and mutual respect of people of whatever race they come. Once they come to Canada, regardless of their ethnic origin, they should be received as Canadians-to-be, and they should be welcomed as such. It is well to remember, sir, because we have increasing evidences of it on every hand every day, that we do not sacrifice anything of a truly distinctive Canadian culture by welcoming those who bring to us great cultural endowments and backgrounds from other lands. In my own city of late we have seen the flowering of grand opera on a scale which I think has not been seen in this country before, and made possible by the contributions to our culture which have been brought by those from other lands

or their children who have derived a rich culture from other lands. Therefore, sir, I hope that with those newcomers to our land, whatever be their racial or ethnic origin, we shall be enabled, with the strength that they bring to this land, to build here a greater and freer Canada.

Now a word about the conduct of business in the house at this session. It is well that in this traditional debate on the speech from the throne we give thought to the machinery of the house, and the ways and means by which the house may seek to improve the methods by which it discharges public business. I have always felt that at all times, without sacrificing the dignity of the house, we should seek to expedite proceedings and to achieve greater efficiency in the dispatch of public business. It will be no surprise, therefore, when I come back to a theme on which the house has listened to me before, namely, the necessity for a greater extension of the use of committees.

It is high time the procedure of the house was modernized. We are labouring today—and I use the word advisedly—under the handicap of antiquated procedure. It is high time we undertook resolutely to streamline house procedure, and I believe it can be done without sacrificing in any way the essential rights of hon. members.

Let me say in the first place that I am not going to repeat the arguments I used in the last session by pointing out how many of the standing committees have not been meeting for years, and could be dispensed with in favour of new committees which would deal with questions arising every day, and which the house can deal with adequately only through committees.

One of the most important and primary duties of the House of Commons is to scrutinize expenditures—not just after they are made, but to scrutinize the requests coming from the government for the provision of funds for future expenditures. Therefore I say the time has long passed when the house should set up a committee or committees on estimates. As all hon. members know, under our present clumsy and awkward procedure it is quite impossible to scrutinize estimates or derive needed information in a proper fashion. It can be obtained only at second hand from ministers, and without any opportunity of getting down to details of expenditure. Under these circumstances it is impossible to discharge our duties of supervising and controlling public expenditures.

Already we have a useful precedent in the standing committee on external affairs—and I hope that committee will be set up again at an early date, and that the minister will follow the excellent procedure he followed last year of coming before the committee for more detailed discussion of Canada's external relations than is possible in debates in the house. That committee has had referred to it in each of the last three years the estimates of the Department of External Affairs. It is only fair to say that the estimates of that department have had a better and a more understanding scrutiny than have those of any other department, owing to the fact that in committee it is possible to review estimates in detail, and to elicit firsthand information.

Hon. members will recall the debate on this subject on October 26 last year in which, during a useful discussion as to the methods of reviewing expenditures, the Minister of Finance (Mr. Abbott) said, as reported at page 1159 of *Hansard*:

> I must say I do not think the House of Commons satisfactorily discharges its responsibility of examining in detail the estimates of proposed expenditures for a year.

And again at page 1173, at the conclusion of the discussion, he said:

> I want to conclude by saying that I think we have had a most helpful discussion. I do not think members of the committee expect me to express any specific views as to the different suggestions that have been made, but—

And this is the part I would stress.

> —I shall be very glad to consider, between now and the next session, what the government might do to expedite the efficient study of the estimates. I think with the co-operation of all parties we should be able to effect some improvement in our system.

Some improvement in the system is urgently needed. I therefore look forward with interest to hearing from the government its concrete proposals for the improvement of that system.

Some are saying that the committee on public accounts is a committee which could undertake this task. If I may say so, that is a complete misconception. The public accounts committee is established for the purpose of reviewing expenditures that have been made. What is needed in this instance is a committee which will review estimates of expenditures before the house makes the money available to the government.

I shall not dwell upon these other matters, because the suggestions have been put forward and debated by others. A committee on national defence is urgently required today, as is also a standing committee on veterans affairs. We require, too, a standing committee on social security—none of your special or mushroom committees, but a standing committee. As has been recommended on several occasions in recent sessions by the special committee on radio broadcasting and

the Canadian Broadcasting Corporation there should be a standing committee in that field.

We are meeting under conditions very much changed from those faced by the house a year ago—trade losses, unemployment and a record of illegality on the part of the government. Those who are raising cheap cheers and who are doing the desk-thumping in the house, and a good deal of crowing over the results of the election of last June, would do well to ponder the conditions under which that verdict of the people was obtained. They should consider the changed conditions which have followed that verdict, and also the exposure of some of the things the people should have had brought to their attention at that time, but which they were kept from knowing through the deliberate action of the government.

The unemployment situation, already of emergent proportions, is alarming, not simply because of the numbers of unemployed—the 375,000 who have been seeking employment through the national employment service—but because of the very rapid increase in those numbers in the past two months. The figure of unemployed, or of those applying for employment through the national employment service—and we have already heard from the Prime Minister (Mr. St. Laurent) that these are not complete figures of the unemployed—was 261,000 at December 22. On January 12, three weeks later, it had risen by 62,000, and in the succeeding five weeks by another 52,000. The figure on January 12 was 100,000 larger than on the same date in 1949.

The Minister of Finance cannot brush this situation aside any longer by saying that it is purely seasonal unemployment. This problem is much more deep-seated. We will have to have expedients to meet it now—of course we will. But a more deep-seated and far-reaching remedy is required, because the situation has arisen directly out of our loss of markets.

It is a tragic fact that agriculture, the basic industry of this country, is today bearing the brunt of the loss of markets abroad. The whole structure of this country's sale of its agricultural surplus abroad in recent years, particularly to the United Kingdom, is in danger of collapsing. Today we have only three contracts left for the sale of food to Great Britain. Figures from the dominion bureau of statistics show that the value of our field crops alone in Canada in 1949 fell by 16 per cent as compared with 1948, from a total of $1,696 million in 1948 to $1,427 million in 1949.

[Mr. Fleming.]

The farmers of this country, the essential food producers, were promised by this government that there would be great and continuing benefits from the control system. Under that control system they sacrificed more than $500 million as a result of the government's wheat policy alone. Our farmers were not permitted to sell their wheat on the free markets of the world. Today those same farmers are being deprived of the promised fruits of that policy.

The Prime Minister (Mr. St. Laurent) may be able to persuade himself that no great importance should be attached to the withdrawal of ECA funds for purchases by the United Kingdom of our agricultural products, but I suggest to him that the farmers of this country are not shrugging off that matter quite so lightly, especially when they saw on January 19 that ECA funds are no longer to be available to the United Kingdom for the purchase of Canadian bacon. They have seen that fund in the process of being cut off so far as other Canadian products are concerned, and they remember that that fund made possible the purchase by the United Kingdom of many of the food products of this country in recent years. Our farmers are beginning to experience a feeling of the gravest disquiet. The Canadian loan to the United Kingdom which has been providing $10 million per month is on the point of being exhausted. These are matters of the gravest concern, not merely to the farmers but, because agriculture is still the basic industry of this country, to all Canadians.

I am not going to dwell on themes about which I spoke at the last session. While we are glad to see an extension of our exports to the United States and our trade with that country placed on a more balanced basis than it has been heretofore, nevertheless such trade with the United States will be no substitute for the loss of our markets in the United Kingdom. To a great extent the economy of this country is dependent upon our being able to move our primary products eastward to the seaboard to find a market in the United Kingdom. While needed markets are being lost to the Canadian producer, at the same time the British government, pursuing a policy of state trading which has not been helpful to Canada, has been entering into contracts for the purchase from countries in Europe, such as Russia, Poland, Hungary and Denmark, of the very products that are fast becoming surplus in this country and for which the Canadian food producer would like to find a market in the United Kingdom. While this has been going on, what have we had from the government? We

have had attempts to use plausible and airily optimistic statements as a cloak for apathy and inaction.

It will not be forgotten that the Minister of Trade and Commerce (Mr. Howe) said in this house last April that our trading relations with the United Kingdom were normal. The only interpretation that can be made of that statement, if it is a true statement, is that the Minister of Trade and Commerce accepts as normal the loss of our market in the United Kingdom for our exportable food surpluses. Apparently the Minister of Trade and Commerce has somehow mesmerized the Prime Minister if the Prime Minister can make the kind of statement that he made in this house two days ago in the face of the way in which the Minister of Trade and Commerce misled the house—under the rules of the house I cannot say it was done intentionally. Nevertheless the people and the electors and this house were misled with regard to Canada's trading relations with the United Kingdom.

What goes on in the executive council when this question of the loss of vitally necessary markets for Canadian products is discussed, if it ever is? I am reminded of the chorus in the Gilbert and Sullivan opera, the Mikado. One can just imagine the Minister of Trade and Commerce getting up and in his baritone singing, "I am right," and the cabinet replying in chorus, "And you are right, and all is right as right can be". Is that the only reaction we can get from hon. gentlemen opposite in the face of a developing crisis in our trading relations with the United Kingdom?

We see unemployment raising its ugly head in this country on a widespread scale. Just lately we have had nights here in Ottawa when the thermometer dropped to 21 or 22 below zero and we were glad to climb into our comfortable beds and pull up the covers. But there were men in the city of Toronto who had no beds, who had no covers to pull up. They have been forced to sleep in temporary shelters and in missions. There is the same story of frustration and the blighting of lives that inevitably follows unemployment. This house will be false to its duty if it accepts on the part of this government that same apathy, that same self-satisfaction in the face of this situation which it has manifested heretofore.

It is not enough for the Prime Minister to say that the municipalities of this country ought to be in good condition by now and should embark on public works. Are the municipalities of this country in position to meet emergent unemployment conditions? It is a thousand pities that hon. gentlemen on the treasury benches, particularly the Prime Minister in the light of what he had to say in this house two days ago, have not had some experience in municipal affairs. If the Prime Minister had had some experience with municipal government he would not be saying the things he has been saying about the ease with which this problem can be fobbed off on the municipalities.

Those urban municipalities that are being faced with the problem of unemployment are municipalities to which the unemployed have largely come from other parts of Canada. It is grossly unfair to expect those municipalities to meet this situation. They are having a most difficult time in meeting increasing demands upon them. We have heard appeals in this house for increased support from the federal treasury for education because the burden of education has been falling so heavily upon the provinces and the municipalities. Yet in the face of that situation, in the face of sound arguments for federal assistance while preserving the autonomy of the provinces with respect to education, the Prime Minister says, "Let the municipalities undertake public works to provide employment for the unemployed".

Are we back in the same old plight of ten or fifteen years ago with the federal government just passing the buck? While we are not very numerous in this part of the house, I think I can say that we will maintain an unremitting fight against this government's attempt to fob off this problem on the municipalities and the provincial governments.

An hon. Member: What of it?

Mr. Fleming: My hon. friend over here can take what comfort he likes out of what I have been saying, but he will not get very much out of what I am going to say. If he is anxious to support the Minister of Justice in a deliberate and calculated breach of the law then let him vote against our amendment and condone illegality.

The Prime Minister had something to say about the dominion-provincial conference. We of the Progressive Conservative party were the ones who throughout the life of the twentieth parliament pleaded for a resumption of the general dominion-provincial conference and we can take a good deal of satisfaction out of the fact that at long last the government did reconvene a general dominion-provincial conference in January of this year.

When the Prime Minister (Mr. St. Laurent) talks as he did two days ago about the difference in tone of the deliberations, let me tell him that the extent to which the tone raises more hope of agreement was largely due to the fact that he abandoned the tactics that

his government practised in 1945 and 1946 when it wrecked the conference by its stiff-necked, take-it-or-leave-it attitude. I commend the Prime Minister for his change in attitude and tactics at this time, and to the extent that his tactics have changed and he has abandoned that stiff-necked, take-it-or-leave-it attitude we may look forward hopefully to the kind of agreement, the necessity for which we of the Progressive Conservative party have been pleading.

When the Prime Minister undertakes to refer to the 1945 proposals of his government to that dominion-provincial conference he had better check up next time on exactly what those proposals were, because if ever a man was completely mistaken in what he was talking about it was the Prime Minister when speaking about these proposals in the house two days ago. It was in the course of the Prime Minister's remarks referring to that portion of the amendment of my leader which condemns the government for its failure to take any proper steps in the direction of bringing about in Canada a national system of contributory old age pensions which will permit the elimination of the means test. When questioned about this point the Prime Minister undertook to say to the house that it was impossible today to eliminate the means test. He said that you could not have the elimination of the means test without a contributory system. He may have been right in that, but he was completely wrong in saying that the proposals of his government in 1945 for a change in old pensions and the elimination of the means test were based upon a contributory scheme because you will look in vain, sir, through these proposals of the government of Canada submitted to that conference in 1945 and 1946, for so much as a syllable about any contributory scheme. On the contrary, you will find the federal government proposing the elimination of the means test, the very thing that the Prime Minister says is impossible today, the very thing the impossibility of which he marshalled figures in this house two days ago to prove.

At page 38 of his own government's proposals we find words like these:

> . . . it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month . . . to men and women aged seventy and over in all parts of Canada.

Then he goes on to talk about the benefit of partial recovery through income tax, the very thing he argued against in this house on Monday last. When are we going to get a little consistency on the part of the Prime Minister? Further down the page there are these words:

> The principal feature of the proposed national old age pensions is the elimination of the means test after reaching age seventy.

Again we find the following:

> The removal of the means test would make it possible for these pensions to be administered by the federal government alone on a uniform national basis, without the necessity for provincial participation, and would therefore considerably relieve provincial finances.

Yet the Prime Minister comes along and attempts to refute, without realizing it, every syllable of the proposals that his government made in 1945. He says that the means test cannot be eliminated. He also says today that you must have provincial participation, when in 1945 he, as a member of the government, was saying: If you adopt our policy with regard to old age pensions for those seventy years of age and over, without a means test, you will not require provincial participation. It is about time, Mr. Speaker, that we had more frankness and knowledge on the part of the government as to this problem. We do not want them trying to push this problem aside again with the kind of fallacious argument and mistake on the facts that we heard in this house from the Prime Minister two nights ago.

What have we got from the government at this session in the way of a proposal for dealing concretely and resolutely with this problem? We simply have a proposal that we appoint another committee to get some information. In this country and in this parliament today the lack is not one of information. There is plenty of information. What is required is a little courage, a willingness on the part of the government to act, and some honesty in keeping promises made to the people.

So far as time permits, I wish to mention two other subjects, communism and the rule of law. As to communism I can only conclude from a statement made by the Prime Minister in the house on February 20 that he considers no action necessary. Referring to action in the light of communist activities he says at the bottom of page 63 of *Hansard*:

> But when action requires to be taken, we think that we shall have the courage . . . to take it . . .

The Prime Minister did not indicate that the government is taking any action today. He had plenty of opportunity to indicate to the house and to the people of Canada any action that was being taken. In all fairness to the Prime Minister we can only conclude that no government action is considered necessary in the light of the activities of

communists in Canada. The events of recent years, and particularly of the past two years, including the fall of freedom in Czechoslovakia, must have made it perfectly clear that the activities of communists all over the world are directed from one source and centre, and one alone. It is the Kremlin. Communists do not operate independently in different countries. They operate under a system of international strategy directed by the Kremlin. If the government thinks it is perfectly right and proper that the same freedom of action should be extended to communists in Canada as they have exercised hitherto, then let them so declare.

The recent revelations of the spying activities in this country of Dr. Klaus Fuchs should wake up some of those on the treasury benches who hitherto have been sleeping so soundly on this subject. These and other matters, not to mention what was said to the house last fall by the Minister of National Defence (Mr. Claxton) to the effect that his department was not prepared to entrust to the national film board the making of films involving matters essential to the defence of Canada, and the remarks of the Minister of National Revenue (Mr. McCann) in referring to screening being carried on, screening—which the government apparently considered necessary—of those engaged in broadcasting overseas in foreign languages over the C.B.C. shortwave facilities, ought to be enough to put members of the house on their guard, and to call for resolute action on the part of the government.

What do I propose? In the first place I suggest that the government should be frank with us. It was none other than the Secretary of State for External Affairs (Mr. Pearson) who, in a speech to the Montreal Rotary Club on July 19 last, said this:

> The domestic threat of communism must be met "by strengthening, if necessary, our Criminal Code against actions which threaten the security of the state."

These are the words of the Secretary of State for External Affairs, a man who has seen with his own eyes the sinister depradations of communism in other countries, who has shown by his statement on July 19 last that he is aware that these activities are being carried on in Canada. Just what is the strengthening of the Criminal Code that he recommends? What are the activities of these communists against which he recommends that action should be taken by way of strengthening the Criminal Code? I agree with him that the Criminal Code should be strengthened. I want him to come forward and tell us, as he should, about the activities on which that comment was based.

Let me remind this house that almost four years have passed since the royal commission on communist espionage in this country made its report. The Prime Minister (Mr. St. Laurent) has made much of the action that was taken thereon. There have been trials of those who were named in the report of that commission, but the government have not exhausted the recommendations that were made. In the light of world events it is well that the house should be reminded today of what those recommendations were. They will be found at pages 689 and 690 of the report. There are seven recommendations in all, and I shall be brief with them. The first relates to withholding publication of certain exhibits at the inquiry, and I need not dwell on that. This is the second one:

> 2. That the proper authorities in each service, department and organization take such steps as may be considered desirable and effective, in the light of this report and of the evidence and exhibits, to prevent further unauthorized transmission of information and to set up further safeguards.

What has the government done? Here four years later we are told that certain departments and branches of the government are not entrusted with certain government business because their employees have not been screened. I repeat, that is four years after the recommendation made by the royal commission.

> 3. That all security measures should be coordinated and rendered as uniform as possible.
>
> 4. That the evidence and exhibits accompanying this report be placed before the proper persons in the various services, departments and organizations affected, for study so that a complete evaluation of the information and the material handed over can be made in each case to ascertain in detail what has, and what has not, been compromised. That consideration be given to whether the findings so made should be communicated to the proper authorities in the United Kingdom and the United States.

Then consider the importance of the next recommendation:

> 5. That the Official Secrets Act, 1939, be studied in the light of the information contained in this report and in the evidence and exhibits, and, if it is thought advisable, that it be amended to provide additional safeguards.

The government has not introduced in this house any bill to amend and strengthen the Official Secrets Act.

> 6. That consideration be given to any additional security measures which would be practical to prevent the infiltration into positions of trust under the government of persons likely to commit acts such as those described in this report.

What has been done in the light of that recommendation? Here four years later the screening is still not completed.

> 7. That the practice and procedure in connection with the issue of Canadian passports be revised. While not elsewhere referred to in this report, we have had evidence indicating that naturalization and birth certificates have also been improperly

obtained. We therefore suggest that the conditions surrounding the issue of these documents might be the subject of consideration by the proper authority.

We would like to know what action the government propose to take. There have been some routine inquiries, in the usual way, into the matter of the issuance of passports and certificates of naturalization, but where is that detailed scrutiny and investigation which was called for by the commissioners?

So, sir, I ask that the government do four things. First, that they carry out the recommendations of their own royal commission. Second, that in keeping with the proposal of the Secretary of State for External Affairs (Mr. Pearson) they take steps to strengthen the Criminal Code. Third, that they get on seriously with this work within the government service. I want to make it abundantly clear that I advocate this not only because of the necessity for finding, wherever they are, those whose first loyalty is to the Kremlin and eradicating them from the service of Canada, but also to remove any suspicion from faithful civil servants whose patriotism and loyalty never should have been called into question, and never would have been called into question if this government had done its duty as it should.

Mr. Deputy Speaker: Order. The hon. member has exhausted his time.

Some hon. Members: Go ahead.

Mr. Deputy Speaker: If the hon. member has unanimous consent he may proceed.

Mr. Fleming: I thank hon. members for their indulgence, and I assure the house I do not intend to trespass upon it.

I indicated a few moments ago that I wished to say something about the rule of law. The hope for the future of mankind, depending as it does upon the preservation of peace in the world, lies in the establishment in international affairs of the rule of law. Within Canada it is fundamental to our freedom as citizens. It is just as important as the freedoms we enjoy in this parliament or at the ballot box. Equally important are the freedoms assured to us by the rule of law, by which we mean simply that all men are equal before the law, and not only before the law but under the law. Whether it be the Prime Minister or any citizen in any walk of life, all men are equal and none may override the law with impunity.

Closely coupled with that is this further fundamental principle, that when parliament legislates it does so, according to the terms of its enactment, for all people. Its laws are binding upon all. It rests with one branch of the government, namely the Department of Justice, to maintain the law through the avenues of enforcement that have been set up under our democratic processes. There has not been a graver or more deadly blow struck at that fundamental guarantee of the freedoms of all Canadians or that hope for the future of mankind in the relations between nations, than was dealt by this government by its illegal suppression last year of the report of the commissioner under the Combines Investigation Act. The law, in express terms, required that this report, which was delivered to the government in December, 1948, should be made public within fifteen days. It has been shown that this would have been perfectly possible; but for reasons best known to itself, and not frankly admitted yet, the government chose to suppress that report for a period of ten months. I say with confidence that it would not have been made public yet had it not been for the resignation of Mr. McGregor. The same reasons that led this government deliberately to suppress that report for ten months would have led it to continue to suppress the report even to this day had not Mr. McGregor's resignation forced it into the open. Why was it suppressed?

An hon. Member: There was an election coming on.

Mr. Fleming: Yes.

Mr. Stewart (Yorkton): I do not like to interrupt, Mr. Speaker, but I am next on the list, and my hon. friend has already had 60 minutes.

Mr. Fleming: A moment ago, when the house indicated that it was prepared to extend my time, I said I would not take advantage of the kindness of hon. members, and I do not wish to ask the further indulgence of the house. So if the hon. member wishes me to bring my remarks to a close, I shall do so.

I shall limit myself on this occasion to saying that the government has shown itself since to be utterly unrepentant; and it behooves this house, as the custodian, guarantor and champion of the freedoms of the people, to cleanse the treasury benches of lawbreakers and substitute for them those who will respect, obey and carry out the law. What has happened in this instance is simply the culmination of what has been going on here for a very long time. The ministers have long treated parliament with contempt, and it was only a short step until they felt perfectly free to override, disregard and disobey an enactment of parliament.

Mr. A. C. Stewart (Yorkton): Mr. Speaker, I should like to join those who have already congratulated the new minister of the crown and the new parliamentary assistants on their

appointments. I wish also to congratulate the mover of the address. Not only do I congratulate him on what he said, but being one of those perhaps more experienced in the legislature I would suggest that he follow his air force training, make sure of his route, and make sure that his landing gear is down at all proper times.

Politics are somewhat different from overseas service. Referring to the seconder of the motion, I was pleased indeed to hear him speak in both English and French, something which I unfortunately cannot do. I have, however, had the opportunity of going through his province extensively. The hon. member who moved this address happened to mention the maritimes, and I noted his remarks about them. He said that all Canadians should make it a point, particularly the members of this chamber, to visit all parts of Canada and all provinces of Canada. I had the pleasure of visiting the maritimes about twenty years ago and my friend the hon. member for Cumberland (Mr. Black) was good enough to drive me over from Digby, Nova Scotia, to Lunenburg, at which time we spoke at the Bridgewater apple convention and also at the Lunenburg fishermen's convention. May I say that you have not seen the maritimes until you have had one of their real fish dinners such as the one which Judge Arsenault of Prince Edward Island was good enough to entertain me with. The maritimes are not foreign to the west.

As to the province of Quebec, you cannot say you have seen that province by visiting Murray Bay or Lucerne in Quebec. You must really go around the Gaspe peninsula to see the province of Quebec, and you have to see these people who have been in there for three or four hundred years. The late Mr. Perrault, who was then minister of roads, some twenty years ago was good enough to take me around that drive and take me into all the villages in that part of the country. They had one of the worst storms in history on the Atlantic at that time, and the people were up against it. They had only the cow, the boat, and the old seigniorial system of holding land. But those people are of a steady race. They have been in there three or four hundred years. They do not kick every time something goes wrong. They are a steady people. No one will ever make socialists or C.C.F.'ers out of that bunch. Incidentally, speaking as a westerner, and having been born in the west of parents who were both born in Ontario, I want to say this. I saw more oxen between Lunenburg and Digby than I ever saw in western Canada; and my father was there in 1882 along with the father of General McNaughton.

As to the debate, I want to compliment the Prime Minister (Mr. St. Laurent) despite what has been said by the feeble opposition in connection with his remarks to this house. I do not think I can add very much to what he said. We hear that we have too strong a group on this side of the house, that the government is too powerful, and that we should have a stronger opposition. I wish we had a stronger opposition. I think it would be helpful. But we have on this side of the house what is known as the rump and we really represent the largest group sitting on the side opposite to the government. I can assure the opposition that if they cannot do the job, we will help them along a bit at times in order to see that we get good government.

As to the Conservative party, may I say that I should like to see us get down again to the two-party system. In that way I think we would get better government. In the Conservative party are some splendid men. You have such members as the hon. member for Cumberland (Mr. Black), and the hon. member for Souris (Mr. Ross), who was in the same battalion as myself. You have good material, and I cannot understand why the party have not done more with the material they have. We have sent you, or you have taken from the west, some of your leaders. There was Right Hon. Arthur Meighen, and he disappeared. Then you took honest John Bracken, and he disappeared. You tried to get one of our younger fellows, but you did not give him the job. You have a leader now. I have listened to him speak in this house, and I think he is doing a good job. He speaks quite sincerely and he is covering his platform. Don't change leaders every day. We want you to "stay put" behind the leader that you have. We notice factions in your group already. I can see certain fellows who would like to be leader. Don't change leaders again. Keep one leader for a while, and then we shall get down to brass tacks.

We have now before this house an amendment moved by the Conservative party, and they have a right to move such an amendment. Then we have an amendment to the amendment moved by the C.C.F. If there are two groups that are co-ordinating in this house, it is the C.C.F. and the Conservatives.

An hon. Member: No.

Mr. Stewart (Yorkton): To a certain extent. I do not think the hon. member for Danforth (Mr. Harris) will ever really co-operate with the C.C.F., but I am talking officially about the record. People will be astounded at this co-operation when they read it in *Hansard*. In connection with that co-operation, may I say that it is a peculiar thing that when

the C.C.F. moved their amendment, instead of following the usual practice and striking out all the words after "that", they agreed with most of the amendment of the Conservatives and added only a few touching words. The C.C.F., of course, never totally agree with anybody. In connection with that and with this unholy alliance that is taking place in this house, I should like to quote Mr. Coldwell, speaking at Brantford on May 26. The newspaper article is headed "Unholy Alliance Seen by Coldwell" and reads in part as follows:

Asserting Premier Duplessis and George Drew, Progressive Conservative leader, have entered into an "unholy alliance," Mr. Coldwell told a political campaign meeting "a vote for a Tory candidate is a vote for another form of invisible government at Ottawa controlled by the irresponsible hand of Maurice Duplessis.

I am sorry that the hon. member for Papineau (Mr. Houde) is not in his seat—I have not seen him there yet—though he has not been coupled in this article. It continues:

He referred to an address by Mr. Drew in Flin Flon, Manitoba, in which the Progressive Conservative leader quoted Mr. Coldwell as having advised voters: "If you can't vote C.C.F., then vote Liberal." "I have said no such thing," Mr. Coldwell said.

He does not need to say it any more out in our country.

The main complaint of the opposition in their amendment is with regard to markets. I think that complaint was fairly well answered by the Prime Minister himself. If later on there is any doubt about that, I think the Minister of Agriculture (Mr. Gardiner) will be quite capable of dealing with the matter. As hon. members know, the markets were lost in England to a certain extent not by the action of this government but by the action of the British government itself, and by an action which Sir Stafford Cripps on many occasions said he would not take; I refer to the devaluing of the pound. That is why the market was lost. There is no question about that. Why then try to pass the buck to the government?

The hon. member for Souris, speaking in this house yesterday—and as I said, I have every respect for the hon. member for Souris—mentioned a $2 billion loss. He has jumped four times over the amount of the Winnipeg grain exchange and the pamphlet that he read from. We did not lose $2 billion as against the United States farmer; and as a matter of fact, the comparison is odious in any event because, after all, the people of the United States consume the greater portion of their wheat production. In addition, they have subsidized and carried a load of farm products to the extent of over $3,500 million;

and I do not think anybody in this house would advocate our present government doing that.

Mr. Ross (Souris): Mr. Speaker, I know the hon. member wants to be fair when he says I jumped the price. The $2 billion has to do with all agricultural production. I separated it from the wheat. I know he wants to be fair.

Mr. Stewart (Yorkton): The hon. member did not separate it in his speech. I checked his speech.

Mr. Ross (Souris): Agricultural production.

Mr. Stewart (Yorkton): It is the speech that I am referring to. If the hon. member will check it he will find that I am being fair, and that he did not divide it.

In addition I want to say this. In connection with these wheat agreements, in connection not only with the international wheat agreement, but with the other wheat agreements that were made, they were entered into with the absolute endorsation of the wheat pools and of the organized farmers throughout this country. They were endorsed completely by the Canadian Federation of Agriculture, which speaks for a million and a half organized farmers, and outside the Winnipeg grain exchange and a few of its subsidiaries nobody in this country was complaining about the government entering into these contracts. I venture this assertion, that these contracts did help Britain at a time when she needed help; and if they had not been entered into, and if we had put upon the British people the full load and the full price for these products we might have had a slump in our markets more than two years ago, and we would not have got the benefit that we are getting today from a fairly steady market.

Mr. Harris (Danforth): Mr. Speaker, my hon. friend is very generous. I apologize for interrupting one of the newer members, but I want to ask a question. The question I have in my mind is this. If, as he says, the hon. member for Souris (Mr. Ross) is out in his figures, perhaps it would help him to some conclusion—

Mr. Stewart (Yorkton): You ask the question.

Mr. Harris (Danforth): —if he adds all the other industries in Canada apart from the growing of wheat to the general equation. Prices were pegged in Canada, Mr. Speaker, but they were not pegged in the United States.

Some hon. Members: Question.

Mr. Stewart (Yorkton): My hon. friend has been long enough in this house—and I have been in a legislature before; I am not a new member—to know that that is not a question. The hon. member did not ask me a question. He made a little speech. I have no objection to that.

In connection with the matter of our wheat market I want to say this, that the people of this country, whether the hon. member for Danforth (Mr. Harris) agrees with it or not, did in their judgment less than a year ago endorse the government of this country, the government which carried Canada through the days of the war and has done so since. The people watched their records; the people made their decision, and it was an overwhelming decision.

I am not going to profess that every minister of this government is a perfect minister; I do not think the government would contend that for one minute. But they did a good job when the going was tough, and I feel that as far as these markets are concerned, and as far as the negotiating of markets is concerned, they are fully seized of the fact that the western farmer feels, and properly so, that during the war he was called upon to take a reduced price; that he feels that the general taxpayer of Canada should assist him if times get tougher. I think they feel that. In addition I think the government will see, as they have already done by fixing certain minimum prices, that the farmer will be properly secured as far as the government can secure him, we being an exporting country.

This afternoon the Secretary of State for External Affairs spoke for over an hour. Hon. members will note that he made certain references to matters of economics and conversations with regard to trading that they carried on all along the line. I venture to say that the staff left behind—I understand that staffs have been left behind in some of these countries for trading purposes—are busy trying to see that other markets are procured for Canada. I do not think you will find that the trip to the Orient was wasted at all.

I submit that the Minister of Trade and Commerce (Mr. Howe) is not over in the old country just on a health trip. He has been visiting certain other countries in Europe. It was obvious at the conclusion of the last session that he was tired out. I venture to say that the Minister of Trade and Commerce has not been entirely enjoying himself over in the old country. The matter of obtaining these markets is a matter of negotiation. I feel sure that the government is seized of the importance of securing a market for the surplus wheat particularly.

Of course we now have the international wheat agreement for the next two years, and other markets, I venture to say, will be found. The situation in England has not been ideal. The previous speaker, the hon. member for Eglinton (Mr. Fleming), said that England today was buying from Russia, Czechoslovakia and other countries. Well, there is an election tomorrow in England. I am not speaking for the Liberal party, but personally I hope that Winnie Churchill goes back in there, and then we may get a little better deal than we have got so far.

Mr. Knowles: I will take you up on that.

Mr. Stewart (Yorkton): The C.C.F. are always so optimistic in politics; they are pessimistic in everything else. You were very optimistic up in the Battlefords, and you know what happened up there the other day.

Considerable emphasis has been laid on the matter of unemployment. Every hon. member in this house has been surfeited with printed pamphlets prepared, no doubt, by the C.C.F. braintrust, sent and labelled "Canadian Congress of Labour", which is either their left wing or their left foot, I do not know which. But in any event they are the political arm of the C.C.F., or the C.C.F. is their political arm. In any case, the Canadian Congress of Labour has been responsible for sending to every hon. member these printed pamphlets having to do with the abolition of the means test.

The matter of unemployment is referred to in the amendment of the C.C.F. party. I personally listened to the Prime Minister (Mr. St. Laurent) speak on unemployment. He did not say that the municipalities would have to take the load. He implied that they should take their share of the load. I made a survey of unemployment in the three constituencies surrounding Yorkton and served by the employment office there. The situation there is that less than 4 per cent of the employables are unemployed. I was assured by the man in charge of the employment office that directly spring opens up not only will every one of them be employed but there will be a shortage of labour up there. That is not an invitation to Cape Breton South to send that 10 per cent of his up to my particular constituency.

I respect the hon. member for Cape Breton South (Mr. Gillis). On many occasions he seems to talk the same language as some of us talk. Sometimes I think he should move his seat in the house, but apparently his associations have spoiled him. When he spoke yesterday he dealt with unemployment. In connection with unemployment he made certain statements that I do not think he was

really serious about. These statements do not help. They do not build up morale. They never built it up in the army or out of it. This is his statement as reported at page 98 of *Hansard:*

> It is rather frightening when you think that we have just come through a major conflict.

According to the hon. member's statement only 10 per cent are unemployed in Cape Breton South. I continue with his remarks:

> The unemployed in Canada were the ones who fought it. A few years after their return, with a threatening international situation and the possibility of another war, whom do you think those fellows are going to shoot at the next time?
>
> They have had one experience. They are human, and many of them are the boys who came back from this war.

As the hon. member for Cape Breton South (Mr. Gillis) well knows, the unemployed of Canada did not fight the first war. Very, very few in our battalion, or any of the battalions, were unemployed. Nor did the unemployed of Canada fight the last war. Only a very small percentage of the soldiers, sailors or airmen who fought in the last war were unemployed—a very small percentage, indeed.

In addition, by his own admission, 90 per cent of the Cape Breton workers are employed —and I venture to say most of them are returned men. Furthermore, in my own branch of the Legion, and I think in every branch of the Legion, as every hon. member can say, when the question is asked, "Are you unemployed?" I have yet in the last year to hear of any legionnaire in the city of Yorkton or vicinity who has answered by saying, "I have no employment."

So that situation is not at all as it is painted. It is exaggerated, and purely for political purposes. In addition, so far as Yorkton is concerned, according to the figures 95 per cent of the unemployment there is seasonal. Eighty-three per cent have applied for and obtained unemployment insurance. We are told the government is about to bring before the house certain provisions to increase the number who may come under the Unemployment Insurance Act, and that provision will help many of those who are at present unemployed. I believe, with respect, that the Prime Minister (Mr. St. Laurent) has adequately covered the situation, and that nothing more need be said in connection with it.

So far as the attitude of the people is concerned, while I do not know what other hon. members have found, in my constituency, which is largely rural and composed of farmers, there has been no complaint about prices. My constituency is composed largely of people from other lands, many of whom

are of Ukrainian ancestry. They have made developments, and are educating their sons and daughters in our universities. They are improving their farming methods—and it pleased me to see the hon. member for Vegreville (Mr. Decore) rise in his place at the last session and point out that the three prize winners at the world grain fair were from Vegreville and of Ukrainian ancestors.

These people are advancing. What was the attitude of those farmers when I returned to my constituency? I never had one delegation of farmers complaining about prices—not one. I never talked with a farmer who was worrying about the pork market—not one. He knew he could go into pork in two or three months, and get out of it again, if he wished to—and they are still raising pork. I never heard one complaint about cattle prices—and I have raised a great many cattle. Cattle prices are good; they are very satisfactory, and will continue so, so long as we can keep the embargo removed by the United States. Incidentally, Canadian cattle sold there last year amounted to only one and a half per cent of the cattle butchered in that country. That is a very small percentage. If the cattle market in my district is sound, farming in that district is also sound.

In that connection the only complaint I received—and I object to all this depression talk—was in connection with eggs. I took that up immediately with the Minister of Agriculture (Mr. Gardiner). I received a request from the president of the Saskatchewan poultry association, which is composed of representatives of all branches of the poultry industry in that province, and includes the producers, the co-operatives, the produce dealers, the hatchery men, the feed manufacturers and the poultry division of the university.

When the announcement was made later by the Minister of Agriculture that a floor price of 38 cents a dozen had been fixed I received a letter written by the president of this association while on the train on his way to the Niagara Falls convention. The last paragraph is significant, and states:

> The announcement was received yesterday of the support price being invoked for eggs. To me, again personally, the price has been very well chosen. The reasons are that an efficient operator can cover practically all, if not all his expenses and overhead costs, but with so low a present margin that he will not expand his operations, while the less capable manager will curtail or cease operation, and so bring in a reduction in production, and some measure of stability for the future.
>
> Thanking you for your assistance in securing this welcome solution.

And that is signed by D. L. Davis of Vanscoy, the president of the Saskatchewan poultry association. They do not get the prices

or have the market of the Ontario poultry raisers, because of the much larger population in the triangle in which your cities are located down here. These are the feelings of the president of the poultry association in Saskatchewan.

On the matter of unemployment I should like to speak briefly. Speaking particularly with respect to strikes, let me point out that in this government we have as Minister of Labour the Hon. Humphrey Mitchell. He is a labour man himself and knows about labour. It seems to me he has also a very efficient staff who are familiar with labour conditions, and who are capable of judging things as they are. In Canada today, and for the last number of years, the labour situation has been much better than in the country to the south of us. But where we have a C.C.F. or socialist government we find complaints about unemployment—and I am referring to Saskatchewan.

I hold in my hand a picture taken from the *Leader-Post*, showing some of the government's own employees out on strike. It is headed by a bunch of these young people they think so much about—or profess to think so much about. This is a strike of the Saskatchewan insurance office employees. We see that 120 employees walked out, and stayed out for a while. The signs they carry say, "Profits are high; so is the cost of living." The government was opposed to what was being made on insurance, because they said it was a monopoly. Naturally the employees wanted a share of the profits. They say they are on strike because they are not getting enough pay. On another sign we see this, "We are willing to negotiate in good faith." And on another, "You are getting the profits; we are getting low wages." And all this with a C.C.F. socialist government in Saskatchewan.

One does not find that under the Social Credit government of Alberta, because that government is giving them a little better break than in Saskatchewan.

An hon. Member: More oil.

Mr. Stewart (Yorkton): At least they allow the people in to investigate and to find oil, and do not threaten to rob them when they find it. In our province in the last five years the government has scared everybody out. Nobody would take a hundred thousand dollars to Saskatchewan, because he would be afraid he would lose it. The same is true of the bus line, and everything else. They are not putting it in, with the result that we have lost to other provinces about half of our normal increase in population. However, that situation will be cleaned up three years from now.

When I hear them talking about what they do, and do not do, in connection with social services, and all the rest of it, I am reminded that the very men who are attacking the government here, men with whom at least temporarily the Conservatives have an alliance for the purposes of this debate—

Mr. Harris (Danforth): Oh, no.

Mr. Stewart (Yorkton): Well, the hon. member for Danforth does not like my reference to an alliance, and I am glad he is sitting nearer to us than those who sit over there.

In connection with old age pensions we have had the most flagrant abuse in our province. During the last federal campaign there was sent out with every old age pensioner's cheque a slip signed by J. H. Sturdy, Minister of Social Welfare and Rehabilitation, under date of May 31, 1949—just before the election—and stating:

Dear Pensioner—

And this is just a crack at the federal government, just propaganda against the government that was paying 75 per cent of the pension.

Dear Pensioner:

You will undoubtedly have heard recently that old age and blind pensions have been increased from a maximum of $35 a month to a maximum of $42.50 in the province of Saskatchewan. The increase in pensions will be payable retroactive to May 1. Unfortunately the agreement with the federal government providing for the increased pension did not reach us in time to include the adjusted pension for May with the May cheques.

Just listen to this:

We are disappointed that the federal government did not authorize an increase in the allowable income, so that every pensioner might benefit more equally in the increase.

That was pure propaganda that was sent out with every old age pension cheque by the socialist government in Saskatchewan. In this legislature last session one hon. member mentioned the fact that when an old age pensioner in Saskatchewan went to a hospital part of his cheque was deducted. They were promised free hospitalization in Saskatchewan but they did not get it. It was said that it would not increase taxation, that they would take it out of the big fellows and pass it on to the small fellows. That was the propaganda that was put out in Saskatchewan.

Another hon. member was questioned last year by an hon. member over there as to whether any prosecutions had been carried out for the non-payment of the hospital tax, and the inference was that there were none. The fact is that there have been plenty of

them. I should like to quote from the journals of the legislature of Saskatchewan, page 173 of March 3, 1949, as follows:

Q. How many prosecutions for non-payment of hospital tax have been initiated?
A. One hundred and ninety-two between January 1, 1947 and February 20, 1949.
Q. How many cases were brought to trial?
A. One hundred and twenty-two.
Q. How many convictions were there?
A. One hundred and thirteen.
Q. What were the total fines and costs?
A. $1,053.85.

That is the party that was going to help the old people, but those are the facts as they appear on the record. We were told that hospitalization was going to be free. Then they charged $5 per head. They waited until the election was over and a week later raised it another $5 to $10 per head. Now they are taking another $5 per head out of the general revenue, making a total of $15 that they are collecting and they are still in the hole.

Yet they criticize the Minister of National Health and Welfare (Mr. Martin) and this government for being lax in matters of social welfare. It is a significant fact that in connection with hospital grants you can get the Ottawa contribution but you have to wait for the Saskatchewan contribution. They are short of money in Saskatchewan despite the fact that the federal government is giving them an annual grant of over $14 million in lieu of income and other taxes.

They are nearly a year behind in paying road contractors and for other things that should be paid for. Yet we hear these criticisms and the hon. member for Eglinton (Mr. Fleming) has joined in them. We hear about certain things not being done for the old age pensioners, and reference is made to the means test. If the hon. member will read that blue book—some of us have looked it over—he will find reference to a pension on a contributory basis. He should remember that another dominion-provincial conference took place nearly five years ago. He should remember also that at that time the people logically believed that the cold war would be over. The government of Canada was then spending roughly $250 million on defence, but last year they spent over $380 million and this year the expenditures will be considerably larger. Anyone who has been in government will tell you that you cannot spend money without getting it from somewhere, from the taxpayer.

Mr. Wright: You are going to take it out of the old age pensioners.

Mr. Stewart (Yorkton): The hon. member for Melfort (Mr. Wright), who is not in his seat, has asked a question and I shall answer it. I am not going to take anything out of the old age pensioners.

Mr. Wright: That is what you said.

Mr. Stewart (Yorkton): I want to point out to the hon. member for Melfort that during the course of the last campaign my statements were quite clear. Some of my friends like the hon. member for Melfort do not even follow their Bible, which says:

For he that hath, to him shall be given; and he that hath not, from him shall be taken even that which he hath.

Even the bees kill off the drones, but the C.C.F. encourage them all the time. I do not believe in that. The people who settled western Canada came out in 1882 and they were not asking the government all the time to help them. What I said in connection with old age pensions was that I did not believe in the means test, that I did not believe in one person trying hard to save a little money while another person spent everything and got the same pension. In addition I said that the whole matter of welfare should be on a contributory basis and carried out under a settled scheme.

I went further and said that certain corporations in Canada already had their own pension schemes. At 15 years of age I worked in a bank which had a pension arrangement. There is a need of this committee to study all these things. The government may well take into consideration the fact that certain corporations and companies already have their own pension arrangements and allowance may be made in connection with income or corporation taxes. There may be some differentiation between those corporations that have such schemes and those that have not. This committee may recommend that all private schemes should be brought into the general scheme. Welfare is something that I think can be considered by the committee.

Mr. Wright: That is not what you said when you were before the electors last June.

Mr. Stewart (Yorkton): That is the exact statement I made over the radio, and if the hon. member for Melfort had dug out his ears he would have heard it. That is my exact statement and that is why I am putting it on *Hansard*. I invite the hon. member to come into Yorkton any time he likes and I will repeat that statement.

I am not going to dwell upon what the leader of the C.C.F. (Mr. Coldwell) said about China because the situation has already been covered, as I was going to imply it would be, by the Secretary of State for External Affairs (Mr. Pearson). The leader of the C.C.F. has

always an international view on something, but that international view has always changed along with those of Sir Stafford Cripps. I have here the report of the view the hon. member expressed at Halifax, but I do not know whether he will subscribe to it today. This reads:

> Mr. Coldwell is quoted by the Canadian Press as saying in Halifax that he wished "there were an ocean between Canada and the United States." The neighbouring republic, he said, was "the last citadel of capitalism," and contained the seed of another depression and possible war. "Practically all the leading economists," he added, "agreed that the United States would pull the world with it when its financial structure collapsed, and herein lies the danger of a future war."
>
> In wishing for isolation from the United States, Mr. Coldwell takes a view precisely opposite to that of the British Labour government. Within a few days of Mr. Coldwell's Halifax speech, Mr. Bevin was pledging the fullest co-operation of his government with the United States in the reconstruction of the world economy. Mr. Coldwell wishes for an ocean between Canada and the United States. The British government, separated from the United States by an actual ocean, is trying to span it with a bridge of friendship.

That was a statement he made on international affairs, but, as I say, he changes his views from day to day and from year to year. He has changed them ever since 1914. He has said that we should not participate in a war, that we should do this or that we should do that. Thank goodness we have in this country a government that does not change its mind on every one of these problems from day to day.

In conclusion, I am sure that members of the House of Commons are all enjoying themselves, and I hope I have helped to wake them up because the debate has been rather quiet so far. The Prime Minister (Mr. St. Laurent) has already made a move towards streamlining our constitution. An amendment has been introduced affecting the rules of the house. Reference was made to it by the previous speaker, and I presume I am also in order in referring to it. The new procedure will speed up consideration of the estimates. Members will have a chance to study them and will be able to say that they did not pass millions of dollars in a day without knowing what they were voting for. I think it was a good move. I think the Prime Minister will streamline a lot of other things before he is finished.

Certain remarks were made by the previous speaker about the last dominion-provincial conference. I am sure that those of us who have studied the proceedings of the conference carefully will agree that the Prime Minister should be congratulated on the urbanity, cleverness and decency with which he presided over it. I will go further than the member who just spoke and say that in my opinion the premier of Ontario adopted the right attitude, and made a much better contribution than the leader of the opposition (Mr. Drew) when he was premier of that province. Some of you are older than I, and possibly the duties of the opposition are much better known to you. We have a marvellous country. If you pick up a map of Canada you will see a little triangle running from lake Superior over to Sherbrooke, Quebec, and in that area live most of our people. I would suggest that members representing constituencies within that triangle travel over the rest of Canada and see what it is like just as some of us from without the triangle have travelled over the rest of the dominion. You will then have a better feeling in the house and a better knowledge of the country.

Canada needs development, and before we have further immigration the development of our north country should take place. You have cities such as Flin Flon in the northern portion of our country with a population of twelve thousand. With proper access to the northern section of our country we will be able to develop it, and cities will grow up which will help to consume some of our own products. Probably you have drawn the inference at least that I am not in favour of the amendment to the amendment and will vote against it.

Mr. Ross (Souris): The hon. member for Yorkton (Mr. Stewart), who has just taken his seat, insisted on misinterpreting or misrepresenting my remarks as recorded in the first column on page 108 of *Hansard* with reference to the gigantic loss to Canadian agriculture. I do not suppose I have the privilege of repeating them, but any hon. member who cares to check up on the matter can do so by referring to the first column on page 108 of *Hansard*.

On motion of Mr. Knight the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. St. Laurent: Mr. Speaker, I understand that the Acting Minister of Labour has been discussing with the leaders of the several groups the possibility of taking up tomorrow, notwithstanding the special order made in respect of this debate, resolution No. 10 on today's order paper dealing with unemployment insurance in an effort to have that resolution considered and the legislation enacted so that the payments it would authorize could be made as from the first of March. I understand that the Department of Labour, anticipating that the amendments probably will be enacted, has all its preparations completed and will be ready to pay the supplementary

benefits as soon as the legislation is passed. If my understanding is correct, the leaders of the several groups have said that they realize it would relieve distress to have that done as soon as possible. If that is our understanding at large, we would like, as the first order of business tomorrow, to call this resolution and see how far we can get with the legislation necessary to make these payments possible.

Mr. Graydon: The Prime Minister is quite correct in his statement concerning the consent and approval which were given to proceeding with this legislation tomorrow. Originally there was some suggestion that it might be proceeded with today, and we would have liked to facilitate that action, but the request came too late last night, and it was impossible to arrange our speakers, those who might perhaps want to participate in the debate. In view of the urgency which the Prime Minister has indicated, and which the Acting Minister of Labour indicated last night, we felt there should not be any delay in having the legislation dealt with because no doubt there will be considerable discussion in connection with it. We thought that a start should be made on it as quickly as possible. For that reason we felt we were justified in consenting to the legislation being considered tomorrow, as the Prime Minister has indicated, and that is quite agreeable to this group.

Mr. St. Laurent: It is understood we will ask to have this resolution considered and see how far we can go. I know that all hon. members, without distinction of party, would like to see the legislation implemented as early as it can reasonably be done. I am not asking that we should determine now how far we will go. It will depend upon what hon. members will find out in the course of the debate. We will go just as far as we can.

Mr. MacInnis: Because of the motion that has already been passed I understand that it will require unanimous consent to implement the request of the Prime Minister. I understand the leader of the C.C.F. party had a conversation with the acting leader of the opposition and the Minister of National Health and Welfare last night, and that we will not oppose the introduction of the measure in any way.

Mr. Graydon: If the resolution receives first reading and passes through committee in the resolution stage what will we do afterwards?

Mr. St. Laurent: The bill will be ready for distribution. Hon. members will then see whether they will be prepared to proceed with the bill or whether they will prefer to wait until the next day. As soon as this matter is disposed of we will continue the debate on the address in reply to the speech from the throne.

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

HOUSE OF COMMONS

Thursday, February 23, 1950

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 7, to incorporate Alberta Natural Gas Company.—Mr. Maybank.

COMBINES INVESTIGATION ACT

FLAT GLASS AND MATCH INDUSTRIES—REFERENCE TO ANSWER TO QUESTION ON FEBRUARY 22

Hon. Stuart S. Garson (Minister of Justice): I should like to make a correction to an answer which I gave yesterday, as reported at page 128 of *Hansard*. The hon. member for Winnipeg North Centre (Mr. Knowles) yesterday asked me a question without previous notice. When the *Hansard* proof came to my office for correction I realized that I had mistaken the question asked by the hon. member as dealing with the flat glass report rather than with the match report to which it did refer.

The answer I gave yesterday was quite correct in relation to the flat glass industry. The situation with respect to the match report is as follows: In accordance with the usual procedure, the match report, after being considered by the law officers of the Department of Justice, was submitted to outside counsel on February 6, 1950, for an opinion as to whether prosecution is warranted. It is expected that this opinion will be received in the near future.

INQUIRY AS TO ASSOCIATION OF EDDY MATCH COMPANY WITH E. B. EDDY COMPANY

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to direct a question to the Minister of Justice. I gave him a copy of it, and I know he is prepared to answer it. In view of the minister's intimation a few days ago of impending prosecutions in the match industry, will the minister inform the house whether the Eddy Match Company, mentioned in the McGregor report, is affiliated with or associated with the E. B. Eddy Paper Company in Hull, just across the Ottawa river from this building?

Hon. Stuart S. Garson (Minister of Justice): I want to thank my hon. friend for giving me notice of the question. From such inquiry as I have been able to make in the short time since I received notice of the question, I find that the E. B. Eddy Company, of Hull, and the Eddy Match Company, which has a factory at Pembroke, Ontario, are separate corporations. That is all I can say.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I know personally that there is no relationship between the Eddy paper company in Hull and the Eddy Match Company. I understand that in 1924 the E. B. Eddy Company sold its interests in the Eddy Match Company to some other firm in this country or outside. The local company in Hull has no relationship with the Eddy Match Company.

Mr. Knowles: In view of the publicity given to the minister's answer of yesterday, will he inform the house as soon as a decision has been reached with respect to this matter?

Mr. Garson: Yes, I will, Mr. Speaker, in accordance with our usual practice.

Mr. Knowles: Not the way you did it last time.

WHEAT

INQUIRY AS TO PAYMENT ON SALES, 1945 TO 1948 CROPS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the parliamentary assistant to the Minister of Trade and Commerce, arising out of the widespread desire of western farmers to know whether or not the wheat board will in fact make an interim or final payment in connection with the sale of the 1945 to 1948 crops. Is the parliamentary assistant now in a position to give some information with regard to that matter?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I am not in a position to give much information that would be helpful. The situation is that a great many messages have been received from members, producers and farm organizations with respect to this matter. The subject matter of the representations has been passed on to the wheat board, and they are now considering the whole question. Beyond that I have nothing to say that would be helpful.

Inquiries of the Ministry

TRANS-CANADA HIGHWAY

INQUIRY AS TO AGREEMENT WITH PROVINCES AND BEGINNING OF CONSTRUCTION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Resources and Development. Will the minister inform the house what progress has been made in signing agreements with the provinces in respect of construction of the trans-Canada highway? Will he also tell the house when actual construction work will begin?

Mr. Speaker: With regard to these questions, I might say that I have allowed some latitude because questions on the order paper are not being answered. If I allow at this time questions which in the ordinary course would appear on the order paper, I hope that hon. members will not take advantage of my leniency.

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, as the hon. member knows, the house passed the act last session. Immediately after parliament prorogued there was a conference to discuss technical matters. That conference was very cordial and in my opinion a successful one. We continued discussions with the provinces on various points, including the choice of routes through their respective areas, and the discussions have progressed to the point where I hope to be able, within the course of the next few days, to send to all provinces a draft agreement.

HOUSE OF COMMONS

QUESTION AS TO ISSUE OF NEW GOVERNMENT TELEPHONE DIRECTORY

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): May I address a question to you, Mr. Speaker, or to the appropriate minister? I believe this matter comes under your jurisdiction, sir. I should like to ask when members of parliament will be supplied with a new telephone directory, showing the changes of telephone numbers of the new ministers, deputy ministers, and so forth. As things are at the present time there is much inconvenience.

Hon. Douglas Abbott (Minister of Finance): I shall make inquiries and endeavour to give my hon. friend and hon. members generally the information as soon as possible.

[Mr. McIlraith.]

FISHERIES

INQUIRY AS TO EXTENSION OF SMELT SEASON IN PRINCE EDWARD ISLAND

On the orders of the day:

Hon. R. W. Mayhew (Minister of Fisheries): Before the orders of the day were called yesterday, the hon. member for Queens asked me a question about the extension of the fishing season for smelts in Prince Edward Island. He did not send me notice of the question. I regret that I did not hear his question distinctly, but I am prepared to give him an answer now.

The fact is that we have no requests from the fishermen of Prince Edward Island for an extension of time. When the extension was being considered for New Brunswick and Nova Scotia we did make inquiries as to whether in Prince Edward Island they wanted an extension or not, and we found that there was no general demand for it.

Mr. McLure: I wish you had asked me.

VETERANS AFFAIRS

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. Victor Quelch (Acadia): I should like to address a question to the Minister of Veterans Affairs. I have not given him notice of the question, but I did not think he required it. In view of the fact that during the past fifteen years it has been customary to set up a special committee on veterans affairs at the start of each new parliament, will the minister give me the grounds for refusing to set up that committee this session? I should like to remind the minister that this is the second session of a new parliament.

Mr. Speaker: Order. Unless the minister particularly wishes to answer that question, it seems to me to be a controversial one which could be reserved for later. I did say that in respect to questions on the orders of the day I was allowing considerable latitude at this time, but I hope that hon. members will not, for that reason, refrain from putting questions on the order paper which should appear thereon and will ask only such questions as are urgent when the orders of the day are called.

Mr. Quelch: Numbers of us have received several telegrams. We thought the minister would like to have an opportunity of answering them.

UNEMPLOYMENT INSURANCE

SUPPLEMENTARY BENEFITS DURING WINTER SEASON—VARIOUS AMENDMENTS

Hon. Paul Martin (for the Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act, 1940, to provide for supplementary benefits during the winter season in any year and government financial contribution in consequence thereof, for additional insurance coverage, for readjustment and simplification of rates of contribution, and for consequential amendments; to provide also for an increase in the membership of the unemployment insurance advisory committee from six to eight members; and to provide further that the members of the national employment committee shall receive the same remuneration as the members of the unemployment insurance advisory committee.

Mr. Graydon: Mr. Speaker, I know that the Acting Minister of Labour wishes to make a full explanation of this resolution, and we are most anxious at this time to facilitate his desire.

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

Mr. MacInnis: No, Mr. Speaker. Under the circumstances I think it is due to the house that the minister should make at this time a statement of what is involved in the resolution before us. After that is done we can decide whether or not there is any urgency. If we can facilitate debate later on, I think we had better do so; but we must have the co-operation of the minister to begin with.

Mr. Martin: Mr. Speaker, I am sure that I express the view of all hon. members when I say that we all regret the necessary absence of the Minister of Labour, and we look forward to his return within a very short time.

Of course I agree with what the hon. member who has just taken his seat has said, namely, that there should be an explanatory statement of the general scope and purposes of the amendments contemplated by the resolution now before the house.

We have in Canada a well-established and comprehensive national unemployment insurance scheme, which has been in operation since July, 1941, covering employed workers in industry and commerce. This act has provided and will continue to provide a first line of defence for workers and their families against unemployment. It gives protection in an automatic and systematic way for more than two and a half million workers. Including these workers and their dependents, over 7 million persons are offered a measure of protection, as a right and not as a dole or a charitable gift.

Since the first benefit payments were made in 1942, over $223 million have been expended in unemployment insurance benefits. A complete system of regional and local insurance and employment offices has been established across Canada to administer the insurance provisions of the act and the national employment service which has been established in conjunction with the insurance operations.

These offices facilitate the placement of labour by informing persons in search of work of the jobs obtainable, and by informing employers of the type and number of persons seeking work. It offers a common meeting ground for employers and employees. Workers obtain employment sooner than would otherwise be possible, and employers' recruitment and placement costs are lower. As an illustration of the importance of this service to employees and to employers, as well as to our economy as a whole, it should be mentioned that 684,179 placements were made by these employment offices during the past year. Of these, 127,059 were casual and 557,120 were regular placements.

The protection provided to workers by the provision for unemployment insurance benefits in periods of unemployment has added very substantially to the stability of our national economy.

The government proposes in this bill to make provision, by the enactment of a new part to be added to the Unemployment Insurance Act, to give added protection to insured workers against unemployment in that period of the year when, due to the rigours of our winter climate, employment is normally at its lowest level, namely, in the period from January 1 to March 31 of each year.

The added protection to be provided takes the form of a provision for the payment of supplementary insurance benefits for periods of unemployment to persons employed in industries and occupations which are under the insurance coverage. These supplementary benefit payments will, subject to compliance with the qualification conditions provided in the legislation, be payable to persons unemployed in the period January 1 to March 31 in any year, but in the present calendar year will be payable from the date the legislation comes into force until April 15, 1950.

Mr. Ferguson: Does that affect unemployed members of parliament?

Mr. Martin: It would depend upon whether they come within the act.

The payment of supplementary benefits under the new part of the act will be in addition to and without prejudice to benefit rights otherwise established by payment of insurance contributions under the act.

The groups of persons who may qualify for payment of supplementary benefits within the specified winter period which I have just defined, and the extent of the supplementary benefits payable, are as follows:

Class one: Insured unemployed persons, whose benefit rights under other provisions of the act have become exhausted or otherwise terminated since the March 31 preceding the date of claim, may claim supplementary benefits payable during the specified winter period up to the same number of days of benefits to which they were entitled under their last regular benefit year, but not exceeding the number of days in the specified winter period.

Class two: Insured unemployed persons who have not made the minimum number of insurance contributions required to qualify for payment of benefits under other provisions of the act, namely, a minimum of 180 contributions within the two years preceding claim, but who during the period since March 31 preceding the claim for supplementary benefit have made a minimum of ninety daily insurance contributions under the act, may claim for supplementary benefit payable during the specified winter period for the number of benefit days arrived at by dividing the number of contributions made by five, but not exceeding the number of days in the specified winter period.

The ratio of one supplementary benefit payment to five contributions corresponds to the ratio of benefit payments to contribution under the existing provisions of the act.

As I have already stated, the payment of supplementary benefits does not exhaust, interfere with or diminish rights to benefit payments accrued under other provisions of the act.

Class three: Persons who have worked in lumbering and logging in any area where contributions have not been required up to the present for such employment or in an employment of this category, and in other insurable employment, for a minimum period of ninety days in any consecutive twelve-month period within the eighteen months preceding the date of claim, may claim for supplementary benefit payable during the specified winter period for the number of days arrived at by dividing the number of days so employed by five, but not exceeding the number of days in the specified winter period.

Class four: Persons who since the 31st of March preceding the date of claim have worked for a minimum period of ninety days in an industry which has been made insurable employment in the twelve-month period preceding the date of claim, may claim for supplementary benefit for the number of days arrived at by dividing the number of days so employed by five, but not exceeding the number of days in the specified winter period.

The supplementary benefit rates payable will be eighty per cent of the standard benefit rates authorized to be paid under provisions of the act.

Provision is made for financing the payment of supplementary benefit payments by increasing the daily contribution rates payable by employers and employees by the amount of one cent per day each, to which will be added the government contribution equal to one-fifth of the combined employer and employee contributions, derived from the additional one cent contributions payable by them. These amounts will be paid into the insurance fund.

In addition, the government will pay into the insurance fund the amount of the supplementary benefits paid out to unemployed persons in the classes three and four which I have described, namely, the groups who are to be or may be brought under insurance or have been brought under insurance in the year preceding claim, and who have accordingly not had the time to make the prescribed number of insurance contributions to the fund.

While it is estimated that the financial provision outlined above will be sufficient to provide for supplementary benefit payments, nevertheless, since the provision is novel, and in order to safeguard the insurance fund, the fund will be guaranteed against any loss which is sustained in the payment of supplementary benefits up to March 31, 1952.

Now, the whole purpose of this new part of the act is to endeavour the better to adapt our unemployment insurance scheme to fit the normal Canadian employment pattern, in which, in many areas of Canada, unemployment is substantially higher and employment correspondingly more difficult to secure during the winter season.

Our seasonal employment trends are, because of our climatic conditions, more pronounced than in other countries, such as the United States and the United Kingdom, and, subject to compliance with fundamental unemployment insurance principles, I believe we should endeavour to shape our insurance scheme, as far as may be practicable, to take these conditions into account.

The supplementary benefits provision, which is an extension of the present insurance

provisions, conforms in its basic principles and operation to the present insurance provision and will be financed in a similar manner.

I know that hon. members will wish to know what effect the bringing into effect and the application of the supplementary benefits provision will have in relation to the present group of unemployed persons. Well, the known figure of applicants for work registered in our employment offices as at February 2, 1950, as has already been indicated, is 375,600. Of this total, at least 250,000 are either drawing unemployment insurance benefits, or have claimed benefits and the claims are in the process of adjudication. This leaves approximately 125,000 persons looking for employment, who might be grouped as 75,000 who have either exhausted their benefit rights or had insufficient contributions to enable us to pay them benefits; an additional 25,000 who would be normally employed in lumbering and logging, and a similar number in regard to whom we have no knowledge which would enable us to put them in any specific category at the present. It is expected that the proposed amendments which we are seeking at the earliest possible date will benefit approximately 100,000 individuals.

The amendments to the act will also bring additional workers under insurance coverage. At present the act insures salaried workers on weekly or monthly rates if their earnings are $3,120 or less per annum. It insures workers on hourly, daily or piece rates, regardless of the amount of earnings. The amendments which are covered by this resolution propose to raise the ceiling on such salaried workers to include those earning $4,800 or less per annum. The estimated number of persons who will be brought under insurance coverage by this amendment is 90,000.

Other amendments to the act include provisions to give effect to a number of recommendations of the unemployment insurance advisory committee, which, as the house knows, includes in its membership representatives of both labour and management. The more important other amendments to the act are:

1. The reduction in number of the existing contribution classes from nine to six, and the creation of a new contribution class for employees earning $48 or more per week.

2. The equalization of employer and employee contributions. Employed persons under sixteen years of age or earning less than ninety cents per day whose contributions heretofore have been paid by the employer, and who have not been entitled to benefits will hereafter pay their own share of contributions and will be entitled to draw benefits in like manner as other claimants.

3. Modification of the first statutory condition in the act. At present a claimant is required to have 180 contributions during the two years preceding his claim, at least 60 of which must have been paid since the commencement of the previous benefit year. It is proposed to relax this to some extent by providing that of these 180 contributions, 45 must have been paid within the six months prior to the claim, or 60 contributions within one year prior to the claim.

4. Changes in the present non-compensable day rule. At present the first day of unemployment in any week is non-compensable unless it follows or is in a complete week of unemployment. As amended, in future the first day of unemployment in any period of unemployment will be non-compensable unless it follows a period of employment of three days or less. If a person is working short time, the first day of unemployment in any period of unemployment is non-compensable in every case.

5. The number of members of the unemployment insurance advisory committee is increased from six to eight, to give added representation to labour, and of course correspondingly another representative to management. In addition there are a number of amendments to strengthen the enforcement provisions of the act, or to clarify uncertainties in some sections of the act.

6. The permissible earnings which the claimant for benefits is permitted to earn in subsidiary employment without impairing his right to receive benefit is raised from $1.50 per day to $2 per day.

All these matters I have explained in a general way, and I commend the resolution to the house because of the important provisions that it contains.

Mr. Gordon Graydon (Peel): Mr. Speaker in rising to make a contribution to the debate on the resolution introduced by the Acting Minister of Labour (Mr. Martin), I should like to say that when one views legislation of this kind one cannot help but think it is too bad that we have to consider a substitute for work instead of legislation that would be creating work for the Canadian people. What I say this afternoon will not be said in any critical way, because I think most of us feel heavy at heart in having to deal with legislation made necessary by the fact that people are out of jobs or may be out of jobs in the future.

It is a matter of deep concern to all of us that a change in legislation such as this is necessary. Those who experienced the conditions of certain previous days will rebel at the very thought of having again to go through anything approaching that type of condition in our Canadian national life. It is my fervent hope and prayer that the legislation to follow this resolution will not have to be used in the days that lie ahead in a way similar to that in which relief was granted at one time to our Canadian people.

When the government gave notice of the introduction of this measure, and indicated the urgency therefor, we were anxious to facilitate their action as much as possible, for reasons which of course will be obvious to all. We wanted to have these payments made available, with the least possible delay, to the people entitled to them. For this reason we are prepared to facilitate the legislation and to have the bill brought in for consideration.

The minister and other hon. members of the house will at once recognize the complexity of the explanation which the minister gave. I think it was as clear an explanation as it was possible to give, having in mind the changes which it is proposed to make. I do not complain about that, but there were a number of matters dealt with by the minister which perhaps should be left for more mature and detailed consideration when the bill comes before the house for second reading and is considered afterwards in the committee stage. Nevertheless, time being of the essence, we hasten to indicate to you, Mr. Speaker, and to the house that we support the resolution so that the bill may be introduced at the earliest possible moment and there may be no possible reason for delaying the payments to be made under it. I express the wish, however, that its purpose was to create work rather than to provide a feeble substitute therefor.

The minister said that unemployment insurance was the first line of defence against unemployment. Of course that was about all that those of us who took part in the proceedings of the committee on unemployment insurance when the bill was first brought into the house ever thought it would do. I think it is only fair to workers and to industry generally to say that, because the benefits arising from unemployment insurance at their best have never been great. They can only be regarded, as I said before, as a weak and feeble substitute for a job.

I have taken a personal interest in unemployment insurance legislation, largely because of the fact that in my own riding there is a great body of working men and women who come under its provisions. My interest arises also because of the fact that when the committee was set up in 1940 I was a member of it, and I was extremely interested in the work it did. Without introducing any note that should not be introduced, I think I may say that although I was not in the house at the time, I take some pride in the fact that a former prime minister of Canada, who was then the leader of our party, introduced unemployment insurance into Canada for the first time in 1934.

I think it is the proper time now for me to say a word on the question of unemployment; because at the root of this change in the legislation is the fact that the government recognizes that jobs are in jeopardy in certain parts of our land. I do not know whether everybody realizes it, but we must recognize that when a man is out of work and without any income, and unemployment insurance benefits are not available to him, for any of the various reasons that may be advanced, in most parts of Canada there is no way in which he can secure any help from public agencies other than welfare organizations to which voluntary contributions have been made. It is true that in some places that is done on a municipal basis, but generally speaking in many parts of Canada all he can do is sit there without any means of support. We cannot afford to allow that to happen to anyone in Canada so long as we have the power to remedy the situation.

We have heard enough in the house since the session began a week ago to be convinced that, while there may be an argument over the extent of unemployment in Canada, there has been a substantial increase in unemployment in many sections of the country. I should also like to point out to the minister that, while his figures and those of the government seem to hover around 380,000 unemployed in Canada, as others have said, that does not indicate the true picture. Apart altogether from those who may never have intended to register under the Unemployment Insurance Act—and there must be many thousands across Canada who do not utilize its provisions—the minister well knows that if a man does not renew his registration at the end of thirty days from the date he first registers, his file becomes dormant. He may not have a job at all; nevertheless in the records of the unemployment insurance office he is regarded as a man to whom no more attention need be paid so far as a job is concerned. It is taken for granted, and I suppose naturally

so, that he has obtained employment elsewhere. There must be a substantial percentage of people who are in this category, and in the category I originally mentioned. Therefore the number of unemployed in Canada must be well over 400,000, a figure which I think would be nearer the mark today.

I am not taking part in this debate for the purpose of trying to paint a dark picture as to the unemployment situation. There is nothing to be gained by that; there is nothing to be gained by exaggerating the unemployment situation in Canada. Neither is there anything to be gained by not looking at the true picture and seeing what the actual position is. One of the things which has impressed members during the present session is that in view of the warnings which have been given as to falling markets and prices, and the warnings and cautions which come from those who are in the exporting business generally, the question of finding work for Canadian citizens is one of the major jobs of the government, parliament and the people. I suggest it is not good enough to wait until things get worse. That is too much like locking the stable door after the horse is stolen. Unemployment should be nipped in the bud; we should not wait until it reaches unmanageable and uncontrollable proportions. I am quite sure the government will take heed of the warnings that have been given. That is the very purpose for which parliament exists—to bring forcefully to the attention of the administration any situation that may develop in the country.

I am not an expert in economics, as I need hardly tell hon. members; and there are many people in Canada who, like myself, are not economists, so this is one of the infrequent occasions on which I find myself in the majority. But speaking in a simple way as a layman dealing with economics, I believe the ordinary man in the street is asking certain questions which might as well be asked on the floor of this house now as any other time. One question has peculiar force to me, as I think it will have to hon. members generally.

It may be said that 380,000 or more unemployed is not a very large number; still it is a substantial group of our people, and I am sure the government regrets that unemployment exists even to that degree, just as we all regret it. But one of the questions the people are asking is this. Why did we have to wait until a war engulfed the world before people were able to have full employment? This parliament and this country are striving to the very limit of their ability to see that we never have another war. People are saying: Surely we do not have to have a war so that people may find work. And of course we do not have to; because for a man-made economic recession there must be a man-made cure. The nations of the world have made great advances in science, in medicine, and in every other line. Surely the world is not going to admit that on the economic front somehow or other we are unable to keep people fully employed and enjoy a high standard of living from one end of the country to the other, short of having a war.

It seems to me this is particularly significant so far as the ordinary people are concerned. The world has been able to master so many problems; why can we not master this one? Apart altogether from the anguish, privation, starvation and suffering that come with recessions and major or even minor dislocations of our economy, there is something else we should bear in mind. Democracies generally—and I am not especially referring to Canada, because this runs all through the picture—must find a way in which to provide full employment and prosperity for their people. There never was a time when democracy faced a greater test in competition with another ideology than the present time. Another group, now comprising one-third of the world's population, a group competing with our way of life, is watching how successful the democracies are going to be in handling these periodic dislocations of our economic life. I am afraid that in the days to come many people in the world may come to the conclusion that if we in a democracy cannot master these problems, which we ought to be able to solve; if we cannot handle the periodic recessions which bring misery and poverty to our people, we have weakened our appeal for the support of those sceptical millions throughout the world who must make their choice between our free way of life and another way which is much less free. As a democratic state we should be able to show those who would follow the communist way of life that, with the maximum of individual freedom and the minimum of regimentation, democracy can provide prosperity and a high standard of living and happiness for the masses of the people.

I commend this resolution to hon. members of the house so far as its broad principles are concerned, with the details to be considered during the second reading and committee stages. I hope, as I am sure we all hope, that unemployment legislation will not be needed in the coming months. It seems to me that we have a responsibility not only to our own people, but also to democracy as a whole, to make democracy work; and to do so we shall have to provide our people with jobs, prosperity and good times.

Unemployment Insurance

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, the Acting Minister of Labour (Mr. Martin) preceded his statement in connection with these proposed amendments to the Unemployment Insurance Act with a short review of the provisions and purposes of the act itself. It was my privilege to have a part in the adoption of that measure when it was introduced here in 1940. Not only did I support it in the house; I also supported it outside the house, among many working class organizations where it was perhaps not properly understood. Because of that I must say that I regret very much to have to rise today and express myself as being extremely disappointed with the measure the government is presenting to this house at a time of emergency, a time of serious unemployment, and with what the government is proposing to meet that situation. It should not be lost on this house that the unemployment condition throughout this country is so serious that, when the government brought down this measure and asked that we postpone discussion on the address in order to allow the measure to go through, we readily agreed to do so. But let me tell the house that the measure now before us does not begin to meet the needs of the present unemployment situation. Whatever it does—and I am accepting it and will support it as a forward step—it will not prevent unemployment. It will not meet the need of those who are now unemployed; in my opinion, it will not meet the need of even the majority of those who are now unemployed. When the government asks the members of this house to clear the way for legislation of this kind, surely they should have something better to present than what is now before us.

A report in the newspaper the other day on the unemployment situation gave the number of unemployed as 375,600. In two sections of the country the percentage of the labour force unemployed had reached what is considered to be the danger point; that is, where even the present Unemployment Insurance Act, over an extended period of time, would not be able to cope with it. In the maritime provinces the percentage of the labour force unemployed is 10·2 and in British Columbia it is 15·8. I should just like to tell the minister that the people in my province are disturbed about the unemployment situation. Along with other members of parliament from the greater Vancouver area, I met with labour organizations, veterans' organizations, and attended several meetings called by the Vancouver city council. They are all disturbed about this situation, and I am quite satisfied that they will still be disturbed about the situation after they have seen the provisions for meeting it in this measure.

Let me briefly go over what is proposed to be done. It is proposed to amend the Unemployment Insurance Act, 1940, to provide for supplementary benefits during the winter months; and I understand that the winter months as defined by these amendments are from January 1 to March 31. Ordinarily, in my part of the country, those are the winter months. But that is not so in other parts of Canada and it was not the case in my province this winter. In British Columbia there was a tremendous amount of unemployment in November and December and, as I shall show the minister and the house shortly, there was a large amount of unemployment across the dominion in October of last year. It is also proposed to provide for additional insurance coverage. That is all to the good and I shall have more to say about that point later. Those are the two points in the resolution that will in any way help the unemployed; and when I say that, I am not leaving out of consideration the explanations made by the minister.

There is provision for some other matters such as simplification of rates of contribution, increase in the membership of the advisory committee from six to eight, and that members of the national employment committee shall receive the same remuneration as the members of the advisory committee. All that, however, is of no particular importance to those who are now unemployed.

This measure stems from the government's fallacious belief that the present large scale unemployment is seasonal or temporary, owing to weather conditions and circumstances of that kind. Unfortunately, in my opinion, that is not so. Unemployment is as natural to the capitalist system as is profit. As a matter of fact, the strongest supporters of the capitalist system insist that a certain amount of unemployment is essential to the proper functioning of the system and that it is bad only when it goes beyond a certain point.

The government should have taken the trouble to inform itself of the ups and downs in employment in this country during the last thirty years. If the government had informed itself and was prepared to act in accordance with what it found, it would not present such a measure as this to deal with an unemployment condition of the magnitude that now confronts us. Let me direct attention to an item in the seventh report of the unemployment insurance commission for the fiscal year 1947-48, at page 27:

> Statistics for the past thirty years show that in fifteen of them unemployment in certain months has

been greater than 10 per cent of the working force. That would have been high enough to deplete the fund. In five of these years unemployment was very serious, rising to over 21 per cent in 1931, and to a figure as high as 26 per cent in certain months of 1933, a condition that would deplete any unemployment insurance fund. While no one wishes to contemplate a recurrence of unemployment on that scale, it is only sound to make provision for an unemployment insurance fund based on past experience.

Of course we do not want to contemplate unemployment on the scale on which we had it in the 1930's. But if we have the same conditions as prevailed in the 1930's, or if we have the conditions that prevailed in the 1920's out of which developed the conditions of the 1930's, then we shall contemplate it or we shall face unprepared the conditions that we then faced; and we are not going to meet them with a measure such as this.

A realization of the present stiuation could have been obtained by careful attention to the developing unemployment during the last two years, and a perusal of the budget speeches of the Minister of Finance (Mr. Abbott), when he was consistently and continually drawing attention to the fact that, despite the large financial resources that were in the hands of the people at the end of the war, by 1947 these had been practically used up and people were not only using their current earnings but were going into debt.

These are things that the government should be aware of, and should have in mind, when bringing in legislation of this kind for the approval of parliament. During the second session of 1949 I put certain questions regarding unemployment on the order paper, and received answers from the Department of Labour. In my first question I asked for the number of persons receiving unemployment insurance in the months of September and October, 1948, and the number receiving unemployment insurance in the same months of 1949. Here are the figures:

	1948	1949
September	44,761	83,525
October	55,384	105,064

My next question was how many persons made application for unemployment insurance in the same two months of 1948 and 1949. Here is the answer:

	1948	1949
September	28,143	51,935
October	38,104	69,349

Surely the government could see the trend. That growing unemployment was not a result of conditions of weather; that it was the result of declining employment at a time when employment is normally at its peak.

In my last question I asked the number of unplaced applicants registered in 1948 and 1949. The information I received is as follows: October, 1948, 101,622; October, 1949, 156,106. In view of these facts, the government should be bringing before this House of Commons a measure to provide employment. It is employment that the workers of Canada want. They know already by experience, and indeed by experience over many years, what kind of subsistence doles and even unemployment insurance will provide. Let us take cognizance of the fact, and keep it always in our minds, that unemployment insurance is a device to carry workers over short periods of unemployment, that is, from the time they lose one job until they find another. It is not supposed to be something to carry them over a long period of time.

There is one other thing that we should ask of this government, and it is not something that should have been left until now. I think there has been too much higgling between the dominion government and the provinces as to whose responsibility it is to care for the employable unemployed. I claim that the full responsibility for all the employable unemployed in Canada rests on the federal government. I have a logical, and I believe a legal and constitutional, basis for that assertion.

The hon. member for Peel (Mr. Graydon) mentioned the Unemployment Insurance Act that was passed in 1935. That act was referred to the courts by the government that followed the government of Mr. Bennett. It was declared ultra vires the powers of the federal government. Then in 1940 the federal government asked for an amendment to the British North America Act. The amendment to the British North America Act was to make unemployment insurance one of the matters that came exclusively under the jurisdiction of the federal authorities, as enumerated in section 91 of the British North America Act. That means that either the federal government is responsible for all of the employable unemployed or it means, that the federal government says it will take care of those who can be actuarially insured by contributions of the employee and the employer and a small contribution by the government; and the provinces must take care of those who cannot be insured under such conditions. The thing is just absolute nonsense. The provinces are debarred from going into the unemployment insurance field; and consequently if we insist that there is any responsibility at all on the provinces for unemployment we must say that they will provide the money out of the consolidated revenue fund of the provinces. I do not see any other way by which they can provide it.

On the other hand, in looking after unemployment this government will get the money from contributions under the Unemployment Insurance Act, as they are getting it now. The time has come when we should get away from that idea, and have it made clear beyond possibility of all doubt who is responsible for the employees of those concerns that do not lend themselves to unemployment insurance principles.

I said at the beginning, Mr. Speaker, I regretted that I had to approach this legislation in the critical manner that I have. I am not really criticizing the legislation for what it proposes to do; I am criticizing the government for bringing in a measure of this kind to solve a problem that a measure such as this cannot solve. Apart from that, Mr. Speaker, I shall facilitate the passage of this legislation through the house to the best of my ability.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, this afternoon my colleagues and I listened intently to the statement made in the house by the Acting Minister of Labour. I must confess that it was a bit difficult to hear him upon certain occasions during his remarks, but on the basis of what we thought we heard we are prepared to assert at the moment that we shall find it possible to give our support to the proposed amendments to the Unemployment Insurance Act.

When the Unemployment Insurance Act was brought before the house in 1940 we expressed certain very definite convictions which we held with respect to it. Some of the convictions we held at that time have been referred to by other speakers here today. In 1940 we stressed that we could not for a moment either consider or accept unemployment insurance as a substitute for a balanced economy, wherein our national affairs are managed in such a way as to ensure an opportunity for a decent income to each Canadian. We stressed another point on that occasion, namely that we could foresee a condition such as this arising, where the buoyancy of the national income might not be the same as it has been during the past few years. We emphasized that the employer's share which he contributes toward the unemployment insurance fund reduces his current purchasing power by that amount. Moreover the contribution paid by the employer is in many, probably in most instances charged in the price of the commodities he sells to the employee. Thus it reduces the value of his dollar by that amount.

In the third place, we stressed that the government's contribution is derived from taxation, most of which is taken from the pockets of employees. So, in the final analysis the employee pays the whole shot. If times are not reasonably buoyant and if his income is fairly low we can see that the act itself, by virtue of its operation, could make his lot an extremely difficult one.

We pointed out, too, that if we are faced at any time with an abnormally large body of unemployed, this fund could be rapidly depleted. That would simply mean that the government would be setting in operation a glorified form of dole, which it would not be obliged to call relief, and which therefore politically could be considered as better than a straight relief program.

We also took exception to certain sections of the act, such as those which stated that if a man paid over a long period of time, and then became unemployed as a consequence of becoming unemployable, he had no recourse whatsoever to the fund for assistance. We stated further that we doubted the wisdom of that section in the act which gave the board, or whatever the body is called, the right to ship a man, forcibly if necessary, from one part of the country to another.

Further we could not see a great deal of reason in that section wherein an employer, if firing an employee, would put him in a position where—and this has happened in many instances—he would not be able to procure benefits under the act. I am not suggesting for one moment that all such persons should; but certainly I know of a number of instances where such employees should have had the benefit of the doubt.

What I have said does not mean that we are opposed to the Unemployment Insurance Act. I hope it will be understood however that I am re-emphasizing what I said at the commencement of my remarks, namely that we cannot accept unemployment insurance in any form as a substitute for a balanced economy, wherein our national affairs are managed in such a way as to ensure our people of an opportunity for a decent standard of income.

I entered the House of Commons in 1940, after the election in March of that year. After entering the house I was chagrined to find that much of our discussion still centred around such subjects as one will find listed in the index to *Hansard* for that year. These include unemployment and agricultural relief, unemployment relief and assistance, agricultural aid, relief legislation and homeless transient men.

After all, we had been at war for nine months, but we were still faced with a serious unemployment problem within our

country. The minister of labour of that day, speaking in the house, asserted on June 17, 1940, as reported at page 824 of *Hansard:*

> After all, it is a vital problem.

The "it" refers to unemployment.

> It is a problem which has baffled us.

I want to underline the word "baffled" because I propose to come back to it.

> It is one for which every member of this committee, certainly including myself, would like, if possible, to find a panacea, a solution, a cure-all.

That statement was made in reply to a question which had been asked by the hon. member for Macleod (Mr. Hansell). The minister then went on to point out, as reported at page 825:

> May I add that I am not putting these figures on *Hansard* with any great pride of achievement; they are too large; I am first to recognize and realize that, and I state it quite frankly.
>
> These are the revised figures. The total number in receipt of material aid in some form or another in March—

Remember, that was 1940.

> —was 772,542. I know it is no answer to say that this figure is 25 per cent less than that for the same month last year. The question is why there should be any at all.

It appears that 80·4 per cent of the heads of families unemployed at that time were reported by the minister as being employable persons. It has been said in the house already this session that anyone bringing the question of unemployment before the house, especially if he does it forcefully, will be accused of being a gloomster or a pessimist. I would say no, we are not gloomsters. The gloom has already been spread; all we are endeavouring to do is to pierce a hole through it so a little light may come in to give some comfort and encouragement to those thousands who are now without employment.

Every time I turn over in my mind this figure of 375,000 registered persons, I am shocked. I agree firmly with the previous speaker that it undoubtedly falls far short of the actual number of unemployed persons in Canada today. Yet such a condition of unemployment is described as temporary, regional, spotty, pockets and the like. It seems to me those words are used in order to lull the people of Canada into a false sense of security, so far as this acute and growing problem is concerned. It would appear that the government of Canada has now come to the view that all it has to do is say to the people of Canada, "All is well" and all must be well. We heard a lot of that from the Minister of Agriculture (Mr. Gardiner) last spring, and what an eye-opener we got a little later on!

In his observations in the house the Prime Minister (Mr. St. Laurent) did an extremely neat job of beclouding the issue, if I may use that term. As far as the unemployed are concerned, this problem is upon us now. It is serious and it is slight comfort to them to try to secure any consolation from the assertion that unemployment is spotty or regional, that it is only in pockets or temporary.

A moment ago I referred to those who accuse us of being spreaders of gloom, who tell us that we should be optimistic, that we should endeavour to paint these things in the most glowing colours possible. Those admonitions came from the government itself. As a result I went back to 1935 to find out if the Liberals at that time could possibly have been spreaders of gloom and I found a most interesting broadcast on this subject that had been made by the former prime minister, the Right Hon. Mr. King. Here are a few of the phrases that I picked out of just one broadcast: Terrifying problem, cruel privations, physical suffering, a condition of despair, an appalling situation, menacing shadows, terror stalks the land, a prevailing and hazardous situation, privation and suffering, human anguish, mental anxiety. Those were all in one broadcast and I dare say I missed more than I got. That was an impassioned appeal. I agree that there was much terror in the land. I agree that there was much anguish and that there was a great deal of privation and suffering. There was no question about it. But were I to coin those same phrases today I would be accused immediately of being a pessimist, of being unrealistic in my outlook, of being a spreader of gloom. In fact I would be accused of exaggerating the condition.

Let me point out that the conditions were not entirely parallel. By 1935 we had passed through a number of years of depression and unemployment. However, who can stand on the floor of this house today and say that five years hence we will be able to say that we have not passed through a similar five-year period? The record of the Liberal party is none too good between 1935 and the outbreak of war, and I shall refer to a few figures covering those years. Then following that I am going to give several quotations from that broadcast because, as far as the appeal which the Liberals made to the people in 1935 was concerned, there was no question about their ability to meet and solve this problem. In fact they even named several things which they could and would do. I want to emphasize that we were never out of the depression until the outbreak of war in 1939.

When the former prime minister made that broadcast and used that collection of choice phrases he estimated the unemployed in

Canada at that time as being 400,000. He said that he might be conservative, that he personally thought the figure was 500,000, but he was going to work on the figure of 400,000. We have 375,000 unemployed at the present time, plus a number more who are not registered.

I should like to quote some figures from the bureau of statistics and in passing I want to pay my respects to the employees of that branch who show such generous co-operation when requested by members of parliament to assist in the procurement of information. Here are the unemployment figures:

1936	434,300
1937	340,400
1938	411,100

Then here are the figures for 1939, the war year:

January	485,000
February	491,000
March	494,000
April	473,000

An hon. Member: The war was on.

Mr. Shaw: No, the war had not broken out yet, but I will come to that. They were supposed to be getting ready for it. The figures follow:

May	395,000
June	369,000
July	352,000
August	332,000
September	300,000
October	283,000
November	296,000
December	364,000

Only a few moments ago I gave the figure for March of the following year. After asserting in 1935 that unemployment was the hardest cross which any man had to bear, the former leader of the Liberal party went on to say, and he emphasized that he was speaking in the name of Liberalism:

> A solution of the unemployment problem must be sought in two directions. Long-range policies and permanent measures must be instituted which, through the revival of trade and industry, will serve to bring about a measure of prosperity. This, of itself, by providing employment, will more effectively than anything else reduce unemployment.

It makes one wonder when he stops to consider what the Liberal party has brought upon us in the field of international trade.

Mr. Kickham: Give us the figures for unemployment while Bennett was in power.

Mr. Shaw: May I suggest that I am not a Conservative nor am I defending any Conservative administration. I have often described on the public platform the period 1930-35 as being one of the bleakest and most dreary five-year periods Canada had ever experienced outside a war period.

Mr. Browne (St. John's West): And every other country too.

[Mr. MacInnis.]

Mr. Gardiner: You are not right with regard to the Liberal period in spite of the fact that you say that.

Mr. Shaw: The mere fact that the Minister of Agriculture makes that assertion does not alter fact. I still remember the first six months of 1949 and the assertions he made in various parts of the country. I quote again from that same broadcast in which the former prime minister said, and I ask hon. members to listen to this:

> Only by removing the restrictions which have strangled the movement of goods into and out of the country and through persistent and persuasive endeavour to regain markets which have been closed against us, can there be a revival of trade and business, and the return of work for the men and women of our land.

Mr. Gardiner: Give us the figures.

Mr. Shaw: All one has to do is to recall that between 1936 and 1939 we were still in the throes of a depression. We still had unemployment at that time and this whole speech was designed to give assurance to the electors that the Liberals if elected would by the application of those policies correct the situation which existed at that time.

Mr. Gardiner: Mr. Speaker, may I ask my friend to permit me to say that during the period he is speaking of trade went up from 50 per cent to 100 per cent and unemployment went down by 50 per cent.

Mr. Shaw: The former prime minister used the figure 400,000 on August 5, 1935, when he delivered this memorable broadcast, the text of which I now have here between two red covers. He was working on those figures. In 1938, according to the bureau of statistics, we had 411,100 registered unemployed.

Mr. Gardiner: Take the bureau of statistics figures for both periods.

Mr. Shaw: They are bureau of statistics figures.

Mr. Ferguson: You cannot believe even the Liberal figures.

Mr. Shaw: Is the minister implying that the leader of the opposition, as he was at that time, could not possibly be right in his figures?

Mr. Gardiner: I am not saying that.

Mr. Ferguson: The Liberal government is wrong again on the figures.

Mr. Gardiner: Take his figures for both periods and I will still be right. Take either one or the other.

Mr. Shaw: All I have to do is to emphasize that it takes more than an assertion on the part of the Minister of Agriculture (Mr.

Gardiner) to establish proof in my mind. I quote again, and this is an interesting one also:

> Relief from, rather than an increase in the burden of the cost of government, reductions rather than increases in taxation . . . must be delivered, if commerce and industry are to revive.

I shall hurry on to another one or two. This is an interesting one because he refers to world war I. It is as follows:

> Who, with a knowledge of what was accomplished in the years of war, and in the years of strain and stress which immediately followed, will venture to say that a government with vision and determination will not be able to effect, in times of peace, a nation-wide co-operative effort equal to any previously achieved? . . . Are privations and sufferings, the loss of occupation, and the inability to secure employment, not just as great, where they arise from economic causes in our own country?

Then he goes on to refer to the many projects. They were even going to paint farmers' fences for them. The excerpt reads:

> . . . The country would welcome, above all else, a comprehensive scheme of urban and rural improvements. Such a scheme would appropriately include the clearance of slum areas, housing programs, the painting and repair of buildings and fences, both in cities and the country; and of scenic development, which would serve to make all Canada a country second to none for tourists.

Mr. Ferguson: Whitewash themselves.

Mr. Shaw: It continues:

> Indeed all projects might readily be made to contribute to these ends.

History records, Mr. Speaker, that in October of that year the Conservatives were swept out of office and the Liberals were swept in, but history also records the statistics to which I have referred. History records that in 1939 we were catapulted into war, and we were not far advanced into that period of war, a couple of years—the Minister of Agriculture may not agree with that and I may be out two or three days—

Mr. Gardiner: You are always out a little.

Mr. Shaw: —when there was created a terrific demand, as has been so often pointed out in this house by the hon. member for Acadia (Mr. Quelch), for almost everything that we were capable of producing, and manpower suddenly became an asset instead of a liability. The war ended in 1945. There was still a seller's market in the country, and a backlog of demand for capital and consumer goods. People still had their accumulated savings. Money was being paid out for reconversion, and foreign credits in the form of money we had loaned were being expended in Canada for goods which were shipped abroad. Marshall aid dollars were also being spent here. That was 1945. This is 1950. In other words, this is where we left off in 1939. There is almost the same number of unemployed today as there was at that time. It was not the record of the Liberal government in this field which put them into office, nor was it, I dare say, their record in any other field. It was not their record that enabled them to win the succeeding elections. The next one will be the test.

Mr. Hatfield: A different story.

Mr. Shaw: They will not be faced with the situations that existed in 1939, 1945 and 1949.

Mr. Gardiner: You have made that suggestion every session since I have been here.

Mr. Shaw: It is rather unfortunate that one should have had to continue coming back for ten years in order to keep reminding the government that these suggestions will still have to be made.

An hon. Member: Twenty-five dollars a month.

An hon. Member: Give us a solution.

Mr. Shaw: It is a tragic thing when it takes a war to bring us out of such a condition as that which we suffered from in the ten years prior to the outbreak of war. Booms and depressions, with a war thrown in here and there, seem to me essential and necessary to enable policies such as those pursued by this government to work, at least in a measure. Before I left home to come down here for the present session I could not help hearing the grumblings that were rising throughout parts of the country. Farmers were becoming acutely disturbed as a consequence of the future facing the industry reflected through what has happened in our trade relations. It was pointed out to me that in the local employment office at Red Deer they had 609 registered unemployed in January. They were fearful because they could see coming upon us the shape of things which were upon us prior to the outbreak of the last war.

So far as the present legislation is concerned it will provide a certain amount of assistance to a great many workers. I admit that, but it is a drop in the bucket, as someone has said. Take the prevailing prices today for food, clothing and shelter, take the cheque which a man with a wife and three or four kiddies receives from the unemployment insurance fund when he becomes unemployed, try to draw up a budget for him, and see how far you will get. Moreover, the fund is certainly exhaustible, and the benefit is definitely limited.

We will support the measure in the absence of sound concrete policies which, as we have asserted time and again, must be put into operation if a balanced economy is ever to

be established in the Dominion of Canada. We repeat also that, without the establishment of such a balanced economy, it is utterly impossible for Canada to lay down a sound, realistic and workable foreign trade policy. A country such as Canada will always depend to a certain measure, and possibly to a very great measure, upon a workable policy for exchanging the real surpluses produced within the country.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to add a few words to this discussion, though I will have some further questions to ask when we get into committee. I agree with some of those who have spoken that it is the duty of governments, federal, municipal and provincial, to aim at full employment. However, I do not believe there has ever been full employment in any country, because there are always some men who by their conduct unfit themselves for work.

This legislation is welcomed by the workers and employers at the lakehead; and I think it comes as the result of information that has been supplied to the department by officials there, among others. There were many people who could not qualify for unemployment insurance on the basis of 180 days, but who could qualify with 90 days. I do not agree with the acting leader of the opposition (Mr. Graydon) that we have to wait for war in order to find a remedy.

Mr. Graydon: I did not say that.

Mr. McIvor: We have the same brains that enabled us to do our part in winning the war. If those brains could do that; if they could convert our war workers into industrial workers, we should be able to do better now, because we should be wiser. The government did not wait for war before bringing in unemployment insurance or the family allowance. Compare the unemployment insurance cheques and the family allowance cheques that are being received now with what was coming in back in 1930, when the unemployed received sweet nothing. That, I think, is worth considering; and these amendments will help a great deal more.

We have unemployment at the lakehead. A person would have to be dishonest or blind not to see that. I expect that as long as we have seasons, which I suppose will be as long as we live, we shall have some unemployment there. The seasons affect employment on the lakes; they affect employment in the elevators and on the railroads. All three are affected when shipping is shut down. The weather also affects employment there. This winter we had some weather during which it would have been impossible for men to work, especially in the bush. I know that in other years our seven or more big pulp and paper mills had to overcut their needs because of the budworm pest; and because they overcut their needs they did not need to cut so much this year. Another reason we have unemployment at the lakehead is that nearly all our saw mills were shut down through a lack of saw logs. Perhaps I should not mention this, since it is a provincial matter; but when it affects employment I think I have a right to touch upon it. I believe the premier of Ontario is going to remedy that situation; so we will give him credit for it ahead of time.

There is one further change I should like to see made. When a man quits work he should not have to wait any time at all before receiving unemployment insurance. Multiply one day, two days or three days by his salary, and see how much less he is going to have with which to buy groceries. I believe unemployment insurance should start immediately. If it takes a week to put through an application, the insurance should be made retroactive. Ninety days is a great improvement over 180 days, and I am sure we all commend the department on the way they have thought this out. I believe these changes will help in another way. They will help keep money in circulation, and even the Social Crediters tell us that the more money you keep in circulation the more employment you create.

Mr. Graydon: I suppose there is no one in the house who would be less likely intentionally to misrepresent statements made by another member than the hon. member for Fort William (Mr. McIvor); and I am sure he could not have understood the purport of my remarks when he made the statement he did. I did not say we should wait for a war to cure unemployment. I said we should not have to wait for a war for unemployment to be cured. I think when the hon. member reads my remarks he will realize that.

Mr. McIvor: If I did not hear the hon. member correctly, I ask him to forgive me. I understood him to say what others have said, that we must wait for a war before we get full employment. If the hon. member did not say that, he has more sense than I thought he had.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I have one or two suggestions to offer the Acting Minister of Labour (Mr. Martin) in connection with this resolution. I am not going to enter into the controversy over the question of unemployment, for there will be other occasions on which that subject may be discussed.

Very little remains to be said from this side of the house, in view of the remarks made by the hon. member for Peel (Mr. Graydon), who set out generally the viewpoint of the opposition. As the hon. member said, we intend to support these changes in the Unemployment Insurance Act, while at the same time taking the stand that what is being done is merely a driblet or makeshift to meet the present situation, and in no way constitutes a solution to the problem facing this country.

The problem is one which this parliament will have to face and solve if it is fully to discharge its responsibilities. Today in this country some 375,000 people have registered as being out of work; and that is an unemployment picture of challenging proportions. I realize that there has been a material increase in both the population and the working force of this country since the depression years of which we in this party have heard so much for so long. I would point out, however, that during the period from 1932 to 1934 the number of unemployed in Canada—and it was the total number of unemployed, not a selected list based on registrations under the Unemployment Insurance Act—ranged from 497,133 to 402,760. In my opinion, if consideration is taken of those who did not register, the number of unemployed now exceeds the number in 1934. Indeed, according to such information as I am able to obtain, the figures supplied by the department in connection with unemployment insurance are at least twenty-five per cent below the actual number of unemployed in this country. I am not going into the question as to who is responsible, but my mind goes back—

Mr. Martin: My hon. friend says the department admits that.

Mr. Diefenbaker: No, I certainly did not say it was admitted. Indeed, I do not quite understand why, a few short weeks ago, the Department of Labour made an order preventing the figures as to unemployment from being given out month by month. Economists agree, even though the Department of Labour may not agree, that the figures given by the unemployment insurance commission are at best twenty-five per cent below the actual unemployment figure.

I am not going to enter into a controversy as to who is responsible, and I am not going to rehash the government promises of recent months and recent years. The problem is a national one; and all of us in this house must endeavour to make our contribution to the end that this parliament will effectively meet the situation.

That was not the attitude of the opposition during the years 1930 to 1935. There was in the dictionary no word of opprobrium that could be used which was not used at that time by those then in opposition, who now sit on the government side of the house, when they held the then administration responsible for what was taking place. We who believe in and espouse private enterprise and its preservation must meet this problem and provide a solution for it.

Unless in the days and months that lie ahead this problem is solved and not by solutions such as those which were referred to the other day by the Prime Minister (Mr. St. Laurent) as makeshift, haphazard and, *ad hoc*, our failure to meet the situation and to assure jobs will in fact mean that those who advocate the destruction of private enterprise will have their innings in this country.

You say to me that these amendments are not in their nature a makeshift proposition. I will read from what the Prime Minister said, speaking in the House of Commons, as reported at page 60 of *Hansard*. He refers in general to measures that will be introduced, and he says this:

> That is why the measures which the government will take to deal with our economic problems this year will of necessity be flexible, be selective and be designed to meet special situations rather than anything in the nature of a grandiose over-all blueprint for the general economy of the nation.

The amendments are merely a temporary measure, not a solution, to meet the unemployment situation that exists; and the success of the action being taken is entirely dependent on whether unemployment is merely seasonal. For if it is permanent unemployment that this country faces and not seasonal unemployment dependent on climatic conditions, the legislation being introduced will afford no solution and will be merely a temporary stopgap.

The hon. member for Vancouver East (Mr. MacInnis) in his speech indicated that unemployment is the result of private enterprise and is part of the capitalistic system. I challenge that statement. Is there any member in this house, regardless of whether he believes in private enterprise or not, who wants to see unemployment? The hon. member went so far as to suggest that unemployment is necessary to the proper functioning of private enterprise. That statement also, which is easy to make, is in fact without foundation. My hope is that we are approaching the day when we shall ultimately solve the problem of depressions and the ups and downs in the economic field. I am not a pessimist, and I am not looking at this matter from the point of view of a Conservative trying to take advantage of the situation. I am looking at it from the point of view of those who believe in private enterprise in this country. We must

either find a solution for these problems, or we must in fact admit defeat and the justice of the criticism so often levelled against the system of free enterprise.

I am encouraged in my view that a solution will be found by the statistics which I obtained while the Minister of National Health and Welfare (Mr. Martin) was speaking. During the half century between 1850 and 1900, when industrial development was first taking place on a modern and major scale, there were six depressions totalling 195 months. In the fifty-year period from 1900 to 1950 there were periods of depression, but the number was reduced to five and totalled 102 months. I should like to see the unemployment situation met with a declaration of government policy in regard to trade. After all, a considerable proportion of unemployment is due to the fact that our markets have been lost within the last year and a half. What has the government to say? What is its plan? I should like to see an over-all trade plan enunciated instead of a piecemeal plan for unemployment. What legislation is to be placed before this house to increase jobs and employment? Men and women out of work are not asking for unemployment insurance, except as a temporary measure. They are asking for jobs.

Surely this house has the right to know whether the government intends to bring in a plan of public works such as the development of irrigation plans to increase productivity and assure the certainty of production. I know of no better time than the present one, with incipient unemployment as evident as it is, for the commencement in this country of irrigation developments such as the one envisaged in the South Saskatchewan river development plan; and there are many others. Three years ago I asked the appropriate minister: What are the government plans when unemployment comes? Two years ago I asked: When the Marshall plan ceases to operate, what were the government plans? Parliament is in the dark, as it has been during the past several years, as to what if anything the government intends to do in order to provide jobs through the establishment and inauguration of public development schemes. Surely parliament has the right to know what plans, if any, the government has, and what is to be done to meet unemployment where it is not seasonal. It would be most helpful if, in addition to the very complete statement of the Minister of National Health and Welfare with regard to these amendments, the government had also placed before the house its over-all plans, its ideas and its conception of what must be done in order to assure employment and to put back to work the half million who are unemployed in this country.

I come now to one further matter, and I bring it to the attention of the minister. The act is being amended. These amendments reveal a very adroit manner or plan to increase contributions, namely, by raising the level of the salary limit from $3,120 to $4,800. That is a novel and indirect taxation of those with salaries over $3,120. It brings in 90,000 other workers, most of whom in that salary list are executives. Certainly those with salaries over $4,000 are mainly executives. It provides a system whereby another tax will be imposed to meet the extra costs of the proposed amendments.

In view of the fact that 90,000 more are going to contribute, may I suggest to the minister an additional amendment to the existing law. I am asking hon. members in other parts of the house to join me in this. The law now provides for unemployment insurance benefits being paid under the following conditions. Section 27, subsection 1, reads:

> Every person who, being insured under this act, proves that he is
>
> (a) unemployed;
>
> (b) capable of and available for work; and
>
> (c) unable to obtain suitable employment, . . . be entitled to receive payments.

There are men and women everywhere who have paid unemployment insurance contributions over the years, and who finally as a result of illness striking them are unemployed. These people are denied unemployment insurance benefits. I have one instance in mind of an employee of a railroad who was employed for 17 years. During the period that he could contribute since the act was in effect he contributed to unemployment insurance. A year ago he was stricken with an incurable disease. He is not entitled to unemployment insurance for the contributions that he has made. The only persons who are entitled are those unemployed who are "capable of and available for work". Now that the act is being revamped would it not be possible to add, as those who should be entitled to receive benefits under this act, such persons who having contributed for the requisite number of months, are by reason of accident or disease unable to work, and therefore are not capable of or available for work? They should be included as eligible and qualified for entitlement.

I know another man who has contributed since 1941. Six weeks ago that man became disabled but not as a result of accident, and therefore does not come within the provisions of the Workmen's Compensation Act. That man has nothing to look forward to but fear,

alleviated by the uncertainty of charity, and yet for a period of years he has contributed. According to the figures I have received, to include those I have mentioned would not add more than a quarter of a million dollars to the expenditures under the act. To include them would be fair; it would be just; it would mean that these men who find themselves unemployed in consequence of illness and unable to work through no fault of their own would at least be assured of consideration.

I think too of the many employees in banks and other such institutions who are required to make their contributions and who under normal or even abnormal circumstances will never conceivably qualify for payment. I think that those who make payment of their contributions under classifications to which entitlement never, or seldom if ever, comes, should be placed in a category where for their contributions they would receive benefits for unemployment while unable to work for the statutory period.

I listened to the Minister of National Health and Welfare analysing the amendments to the act. It occurred to me that here was one provision that every hon. member in the house would support, and one that deserves the support of all of us who believe that those who contribute should have the opportunity of securing some benefit for the contribution that they make.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not my purpose to take time to repeat the arguments already put forward in this debate. Rather I rise to contribute something which I feel has not yet been done. Before I do so I want to say that I support wholeheartedly the position taken by the hon. member for Vancouver East (Mr. MacInnis) and expressed by others who have taken part in this debate, namely, that the real issue facing this country and this parliament, and particularly this government, is the finding of ways and means to provide employment. What I shall say will, I think, highlight particularly the need for taking steps in that direction at the earliest possible date.

The job that I should like to do for a few moments is this. I should like to analyse in terms of dollars and cents, in terms of days and weeks, what it is that is being provided for our unemployed people by the measure that has been introduced by the Acting Minister of Labour (Mr. Martin).

The minister gave us certain figures. Naturally we have no printed document before us, but I took the notes down. He gave them quite clearly, and I think I have them down fairly well.

Mr. Martin: Would it not be better to wait?

Mr. Knowles: I think it should be done right away.

Mr. Martin: You have not the bill or anything before you.

Mr. Knowles: I have my own notes on the speech that the minister made; and in this parliamentary institution of ours one has always the hope that, by arguing on the resolution stage for things that ought to be in the bill, the government might reconsider and improve the bill before it introduces it.

I want to point out that the minister said that the supplementary benefits to be paid would amount to only 80 per cent of the normal benefits for which the unemployed person would otherwise qualify. Please note what that means. It means that an unemployed person who comes under the usual categories in the act, and who was earning $35 a week, would normally qualify for benefits to the extent of $18.30 a week. That is a man with one or more dependents. But under the supplementary provisions being brought in by the minister that person will be entitled to only $14.64 per week by way of a so-called supplementary benefit.

Mr. Martin: You see, that shows the undesirability of drawing deductions without having the facts. The conclusion the hon. member has drawn with regard to the class to which he has referred is not accurate. When the bill is before the house I think the hon. member will see at once that, with regard to class one, what he has said is not so.

Mr. Knowles: I am talking about class eight.

Mr Martin: There is no class eight.

Mr. Knowles: At the present time, according to the act as I have it, a person with a dependent paying 36 cents a week is in class seven and is entitled to a benefit of $18.30 a week, if he meets the statutory conditions. The minister has said the new provision will provide 80 per cent of that; and 80 per cent of $18.30 is $14.64 a week.

Similarly a person, with dependents, earning $30 a week will be entitled to a benefit to the extent of 80 per cent of $15.60, which is only $12.48 a week. Likewise a person whose income is $25 a week, with a dependent or dependents, will be entitled to 80 per cent of $12.90, which is only $10.32 a week.

Mr. Speaker, relief rates in my city are better than that. I say again that to bring forward a measure like this at this critical time does only one thing: it underlines the

fact that what is really needed is not an improvement in the Unemployment Insurance Act but a policy to provide employment.

May I point out also, if the minister will permit me to do so, that the details, of which he gave us a forecast in his speech, indicate that for large numbers of people who will have to get along on supplementary amounts at these low rates, even these rates will not be available to them for the whole period of their unemployment. It will be available to them only for such number of days as they can qualify. In no case can they draw these supplementary benefits beyond April 15 of this year or March 31 of any other year.

But the House of Commons must not assume that these 70,000, or so, referred to, or the other 25,000, are going to receive even those low rates I have quoted up until April 15 of this year. They will get them only for the number of days for which they can qualify under the new part being added to the act.

The minister has said that there would be four classes. The first class would be the person who has qualified for benefits and has been drawing benefits, but whose period of qualification has been exhausted. He will be entitled to these low rates I have indicated for a period equal to the period for which he qualified previously. That previous period might be only 36 days, which is one-fifth of the minimum requirement of 180 days of work. Thus there is no guarantee that he will get even these low rates for the full time he is unemployed.

In class two we have reference to those who cannot meet the requirements of 180 days in the last two years. They will be permitted to qualify if they have had 90 days since March 31 last. But the person who meets that minimum qualification will get the low rates I have quoted for a period of only 18 days. Well, 18 days at those weekly rates will not see an unemployed person and his family through a winter in this country.

The same applies to class three. Those in lumbering and logging who previously were in excepted occupations can now qualify, provided they have had 90 days' employment in the last twelve months. But the person who meets that minimum requirement would be able to get this so-called supplementary benefit at the low rate I have quoted for a period of only 18 days, or one-fifth of that 90-day period.

The same applies to those in class four, who are engaged in employment that has been brought into a state of insurability within the last twelve months.

I know the government becomes impatient with our forever finding that every time they take a small step forward they do not go far enough. But if ever that criticism was justified, then certainly it is with respect to this measure. This is a pitiably small amount of relief offered, as I say, at rates lower than those paid by the public welfare department in the city from which I come; and it is no credit at all to the government to bring it in at this time.

I felt when the minister was reading the statement the impression was being gained in some parts of the house—"Well, here is something pretty good; here is something that will at least provide some dollars and cents for these people." The hon. member for Fort William (Mr. McIvor) talked about the money that will be put into circulation, the purchasing power. But please note that the people who cannot meet these new qualifications do not qualify at all; those who have been unemployed too long and need it the worst do not get anything out of this legislation. In other words, any notion that this additional part of the act, with these supplementary benefits, is going to provide even a kind of living sufficient to tide people over, these hundreds of thousands of unemployed in this country at the present time, is completely false and erroneous.

While I am speaking on this subject let me say it seems to me there is something strange about the way in which daily premiums are to be increased. If I understood the minister correctly he said it was to be one cent a day. Well, I shall wait until we have the details before us; but I hope he did not mean one cent a day across the board. Because, if he did, that is an increase of 50 per cent in the amount to be paid by those in the lower brackets and an increase of only 14-2/7 per cent on the part of those in the upper brackets.

Here again we have a case of this government's paying so little on the dollar. They are a great organization to make promises and then, years later, to come through with just a portion of what they promised. I hold in my hand a copy of a document frequently quoted in the house, the report of the dominion-provincial conference of 1945 and 1946. I find at page 387 that the prime minister of that day, the Right Hon. W. L. Mackenzie King, making his statement summing up the government's proposals, said this about unemployment assistance:

> In addition to unemployment insurance, the dominion will set up a system of unemployment assistance under which it will pay benefits equal to 85 per cent of unemployment insurance benefits, to unemployed persons able and willing to work who are not entitled, or who have ceased to be entitled, to unemployment insurance benefits. This assistance will be limited to two years of continuous

assistance, but a person will again become eligible for this assistance following an approved period of employment.

That was the proposal in 1945—85 per cent of the normal rate over a period of two years. Now, when we really have a crisis so far as unemployment is concerned, we have an offer of 80 per cent over a maximum period of three months; and it is likely to be much less, depending upon the new qualifications laid down.

I will agree with the minister to this extent, that any further examination of the minute details of the program will have to wait until we have the bill before us. However, I am willing to submit the analysis I have made to the scrutiny of hon. members, after they receive the bill; because I am not unfamiliar with this act, and I paid pretty close attention to what the minister said.

My submission is that when the unemployed people in this country really figure out what they will receive in terms of dollars and cents and in terms of the number of days for which they will get it, they will not be very grateful to the government for bringing in a measure of so meagre description.

There is one other point I should like to bring up before sitting down. It has to do with the whole question of getting to the root of the problem, of creating employment rather than fiddling around with these less than relief rates. I quote again from the report of the dominion-provincial conference of 1945, this time from page 386 where Mr. King is speaking and is reported to have said:

3. Dominion program: The dominion will extend its natural resources development and conservation projects, and research program, as soon as the situation respecting labour and materials will permit.

What is the government waiting for? "As soon as the situation respecting labour will permit"—that was the promise—the government will go in for public investment and for the launching of its share of a public works program. I continue:

These activities, where possible, will be varied in execution in accordance with the general employment and economic situation.

If the general employment and economic situation today does not call for the immediate implementation of the program this government has been talking about, then what is the government waiting for? The previous paragraph in this report reads:

2. Timing grants: The dominion will contribute to provincial and, through the provincial government, to municipal public investment projects on a scale and to an amount to be determined by the dominion and to be announced in January of any year in which in the light of the general employment and economic situation the dominion considers such assistance to be desirable.

I know that many municipalities and cities across this country took those words at their face value when they were enunciated a few years ago and prepared blueprints of public works and schools and hospitals that needed to be built. Those blueprints and plans are waiting now for the government "when the labour situation permits"—and certainly it permits today—to launch them. Instead, we find that the whole idea of a shelf of public works seems to have been completely forgotten.

When the Prime Minister (Mr. St. Laurent) was talking about this matter the other night he just tossed the ball back to the provinces, back to the municipalities and back to private enterprise. That is not the way the government talked when the Minister of Trade and Commerce (Mr. Howe) published his white paper in April of 1945. That is not the way they talked when this dominion-provincial conference was held. That is not the way they pictured it to the people of this country in the election of 1945 and again in 1949.

At that time we saw great posters on the billboards across the country, reading, "Jobs for all". I have a sample of that poster in my office and one of these days I shall have to bring it down. Apparently it did the trick in 1945 because they repeated it in 1949 and we again saw the same posters, "Jobs for all". They said they had a program composed of public investment with high levels of employment and over-all social security. Surely the time has come to go ahead with that program.

I stress very strongly the two things I have been saying. The measure before us is only a half measure. It does not provide anything at all for many people who need it. For those for whom it does make provision, it will not provide it for the time they need it and the rates suggested will be utterly insufficient in the light of present-day costs of living. We will have to support it because we could not think of doing anything less, but the government need not expect to get from the unemployed or the working people of this country any thanks for this measure. The other point I want to emphasize, which this measure will not settle, is the extreme need for immediate action and a comprehensive program designed to bring about increased employment and real security for our people.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, ordinarily I would not take up any time discussing a resolution because I generally like to wait for the bill itself, but like the hon. member who has just taken his seat I listened carefully to the Minister of National Health and Welfare (Mr. Martin)

make his statement this afternoon. I took notes and I got exactly the same impression of his proposal as did the hon. member for Winnipeg North Centre (Mr. Knowles). I do not think a bill based upon the recommendations contained in the statement of the minister should be accepted by this house at this time as a measure to relieve the present crisis in employment. I am sorry to see the Minister of National Health and Welfare mixed up in this because I have a high regard for him. The minister who blundered his way into this thing is the Minister of Labour (Mr. Mitchell) and he should be present here in the house.

Mr. Martin: Wait until you see the bill.

Mr. Gillis: Before he closes this discussion I should like the minister to tell us whether the unemployment insurance advisory committee have examined these proposals and recommended them to the minister. I cannot conceive of the labour representatives on that committee putting their O.K. on this kind of proposal.

If the circumstances were ordinary, if we did not have a crisis in employment, if the minister came in with this as a straight suggestion to improve the Unemployment Insurance Act, I would say that it was all right, that they were just taking a step to advance the thing. I cannot think that these proposals have been brought into the house for the purpose of curing the present unemployment situation, but I judge that the hon. member for Fort William (Mr. McIvor) is speaking for the members on the other side of the house when he accepts it as such.

The matter is serious because there are 375,000 people in this country who are without jobs today. They are looking to this house for a solution of their problem. If this is the only solution there is going to be cold comfort for them. If the bill is to be based upon this resolution then it means exactly what the hon. member for Winnipeg North Centre said it means. It will provide practically no relief to the men who are unemployed today.

Mr. Martin: That is not true.

Mr. Gillis: There are at least 17 per cent of the unemployed who will not come under these benefits because they are not in receipt of unemployment insurance. Seventeen per cent of 375,000 is a lot of people. A large percentage of that group is composed of people over 40 years of age. We know from recent discussions in this house that industry in this country has taken the position that they will not hire anyone over 40 years of age. A large percentage of the men on the streets today are in that age group and will not come under these benefits no matter how high you jack them up.

There is absolutely no solution being offered, and I am particularly concerned. The hon. member for Winnipeg North Centre is fortunate because he said his welfare department have a better scale of relief, but in the section of the country from which I come unemployment is not regional, it is not seasonal—it is permanent. According to the last figures I received from the unemployment insurance commission there are 59,000 people unemployed in the maritimes and there is no relief for them under this legislation. At least 30 per cent—we are higher than the national figure—of those who are unemployed will receive no benefits because they have gone years beyond the time when they could receive unemployment insurance. Many of them have never had employment.

This legislation does them no good. I am getting up at this time because I do not want the people I represent to think that I am accepting this kind of legislation as a cure for the situation that exists at this time.

Mr. Martin: It is not offered for that purpose.

Mr. Gillis: The figures indicate that there are 21,000 unemployed in the city of Toronto and soup kitchens and missions are operating. This legislation will benefit very few of those people. If the minister will tell us that this is not designed to cure the present emergent unemployment problem, that it is simply a step the government is taking to extend and throw around the benefits under the act, then that is all right. Before you can get these things operating to benefit the men who are on the street you will have to bring in a bill. Then you write regulations which must go back to the unemployment insurance commission. Then they are sent across the country. It will be a year from now before you will be ready to put this into operation and in the meantime the unemployed are shivering on the streets.

I also think, as has been said by almost every hon. member who has risen to speak, that what the government wants is a planned program of public investment in order to take up the slack. The Minister of Transport (Mr. Chevrier) is not in his seat now, but he is doing the right thing. He is going to build a bridge in Nova Scotia which will cost $13 million, and he is putting an item in his estimates for it. That is the kind of thing the Minister of National Health and Welfare (Mr. Martin) should be recommending

this afternoon. If he could say that in addition to these feeble steps they are taking to bring a little relief—

Mr. Martin: Let us get this first.

Mr. Gillis: —we are going to have a public works program, we will drag along until May with this and then we are going to put people to work, it would be helpful. A lot of the members are new, but I can remember sitting here and listening to the previous prime minister stand up in his place in 1944 and tell the house how much Canada owed to the men who were then fighting the war. We all agreed with him. He said: When they come back to this country this time they have got to come back to a brand-new order, a new order of society. Those were his actual words. I remember them very well. Now he is over on Laurier Avenue watching the unemployment figures and the brand-new world that the boys came back to. When he reads the complicated and twisted statement made this afternoon by the minister, who really fooled the hon. member for Fort William (Mr. McIvor)—

Mr. Martin: Apparently you understand it.

Mr. Gillis: Certainly I understand it. I understand exactly as the hon. member for Winnipeg North Centre (Mr. Knowles) understands it. That is why I am standing up on my feet. A lot of the new members on the other side of the house probably are fooled. If the minister will admit to the house that this measure is not designed to take care of the present unemployment emergency and is merely a step forward in the unemployment insurance legislation to bring in loggers and so on, and also a readjustment of the rates, then I am quite prepared to let it go through, but tomorrow or the next day we want someone over there to get up and tell us what they are doing to meet the emergency. We want them to get up and tell us that they are making enough money available to the city of Toronto to help look after the 21,000 unemployed there, and also in these other regions where there is a concentration of unemployed. In Windsor, the minister's own city, there are approximately 9,000, and in St. Catharines and Hamilton—

Mr. Martin: The figures my hon. friend has are not accurate.

Mr. Gillis: Are they not? They are taken from an Ottawa dispatch dated the 17th of February and reading as follows:

> The labour department today issued the following table on the unemployment situation . . .

Then there is a break-down and they segregate the various centres where unemployment is most aggravated. For the information of the minister the figures I have here are: Hamilton, 8,023; Kingston, 1,200; London, 2,340; Ottawa, 4,991; St. Catharines, 2,465; Sudbury, 1,910; Toronto, 21,493 and Windsor, 5,803.

Mr. Martin: That is not the figure you gave a while ago.

Mr. Gillis: I said approximately 9,000. I was only out a few. If the minister is prepared to accept this measure as I have indicated we are prepared to accept it—

Mr. Martin: Admit that was my strike.

Mr. Gillis: If the minister will say that he is going to do something to give immediate relief, particularly to those centres where there is a concentration of unemployment, then we are quite prepared to go along with him and let the measure pass.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I shall not delay the house long, but there are a few things that I want to say on this question. First of all I am sure it is most disappointing to a great many members of the house to find the government offering this resolution as a solution of the present unemployment situation.

Mr. Martin: My hon. friend is repeating what is obviously not true. This measure is intended to do exactly what I said. This is a measure, in so far as supplementary benefits are concerned, to supplement the provisions based on an actuarial basis in respect of insurance payments. That is all the measure is. No one has said that it was any more than that, but to the extent I have indicated it is a matter of great significance.

Mr. Knowles: It is your answer to the emergency.

Mr. Noseworthy: We are very happy to have that statement from the minister, and within a few days we shall expect a statement as to just what the government intends to do to meet the unemployment situation. Regardless of what the minister has just said, the impression has gone abroad and has been created by government speakers that this amendment to the Unemployment Insurance Act is being made for the purpose of meeting the present unemployment situation. It has been accepted as the government's proposal to meet the problem.

I certainly want to emphasize again—and this has already been done—that an increase in unemployment insurance is no substitute for work. If it is the government's policy for meeting unemployment then it is a complete reversal of their policy for the post-war years. From finance minister after finance minister we have heard year after year that the government's policy to meet unemployment was

to provide a shelf of public works which could be put into operation whenever unemployment became serious. I submit that the time has come for the implementation of that policy. The Prime Minister (Mr. St. Laurent), speaking particularly of the construction industry, was quoted in one of the Toronto daily papers on February 17 as follows:

> Activity in the construction industry is still as buoyant as it has been since the end of the war, but it may be that we will shortly be moving into a new phase in which demand will not be quite so insistent.
>
> That may not be altogether a bad thing. I am sure that many of you must have felt in recent years that a period of consolidation would have to come; that the spiral of increasing costs could not continue; and that, in the long run, everyone in the community, including your own industry, would benefit by the return of some pressure for higher productivity and somewhat lower production costs.

I take this statement to mean that it is the accepted policy of the government to invite such a period of unemployment as we have at the present time in order to provide a surplus of workers, so that costs of production may be reduced and productivity increased.

I think we should accept as a fact that the unemployment situation as it exists in Canada today is the responsibility of the federal government. In 1945 and 1949 the Liberal party took credit for the number of jobs that were available and for the general prosperity of the country. That, they told us from billboards and in other advertising, was the result of the policies of the Liberal government. By the same token, if they are going to take credit for the prosperity that existed during those years, they must take responsibility for the lack of jobs that is developing today. Whether or not the federal government should assume the financial responsibility in connection with providing jobs, certainly it is up to the federal government to take the initiative in bringing together governments at various levels so that when unemployment does strike us, as it is striking us today, public works programs will be available. Today we are actually back where we were before the war, as far as the unemployment situation is concerned. The federal government is passing the buck to the provincial governments; the provincial governments are passing it to the municipalities. The municipalities are coming back to the provincial governments and the federal government, and there has been practically no improvement in the last ten years, though it was realized that some steps should be taken to co-ordinate the efforts of governments at the three levels in order to meet this situation. Not until this fall are we to have a dominion-provincial conference to deal with responsibility of governments at various levels in regard to such social measures. For years opposition groups and others have been clamouring for the government to bring together provincial and municipal authorities and take the initiative in bringing about some agreement so that when such situations develop we may be prepared for them.

Reference has been made to the fact that unemployment insurance, even as it may be improved by these amendments, will still provide less than the amount of relief paid in some of our municipalities. Unemployment insurance was never intended to take the place of employment. It was never intended to do more than tide a worker over the period of transition between losing one job and finding another; and we should never come to look upon unemployment insurance as a substitute for employment itself. From what I can gather the average married man receiving unemployment insurance gets something like $16 a week. In the case of a man with three or four children $16 a week, even if he were getting it for a period of time, would not be sufficient to maintain his family. In York township we pay in relief to a family of three $60.88 a month, plus rent; to a family of four, $84 a month plus rent; to a family of five, $92 a month, plus rent; and to a family of seven $125, plus rent. Unemployment insurance does not begin to maintain a family with five or six children, and can in no circumstances be expected to take the place of a weekly pay cheque.

Now there are one or two questions I want to ask the minister before I conclude. Within the last hour I have been informed by a member of the unemployment advisory committee that the amendments brought in this afternoon have not come before that committee, and that they have not been before the representatives of employees and employers who form that advisory committee.

Mr. Martin: Why not ask your questions later, on the bill, and let us get along?

Mr. Noseworthy: I have been informed that recommendations to the government by the advisory committee have been ignored in the measure now before the house. Further, I should like to know why the public hearing which was advertised for next Friday, having to do with bringing hospitals and public charitable institutions under the act, has been cancelled; and why no mention is made of that matter in this amendment.

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

Some hon. Members: Six o'clock.

Mr. Martin: Could we not report the resolution? I think we are all agreed on it.

Some hon. Members: Six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Green: I should like to ask the minister to give a little further explanation about the effect of these amendments. In order to put the question, I must refer to the situation in my own city of Vancouver. We have had extensive unemployment there; it has been as bad there perhaps as anywhere in Canada in recent weeks. As I understood the minister this afternoon, the only groups who would be helped by these amendments to the Unemployment Insurance Act are those whose benefits have been exhausted or those who would be eligible for unemployment insurance if they had made further contributions. Then there is to be provision for two new groups who have not been making contributions; and as I understood it, they are groups which will be brought under the act eventually. But is any provision whatever being made for those people who do not come under any one of the four groups?

For example, although I do not know how many are involved, quite a few of the men who are unemployed in Vancouver this winter would not be in any of these four categories. A great many of them are younger men, and in many cases I think they have drifted to the coast with the belief that we always have a mild winter there. No doubt a good many of them came there with that belief in mind, but I am afraid they have been sadly disillusioned this winter. The situation, however, is tragic. These young men cannot be cared for either by the province or by the city, because they are employable. The city and the province will care only for those people who are not able to work. The result is that there is this large group who can get food only by going to the Salvation Army or to one or other of the churches. These agencies have done excellent work during the winter weeks, but that situation simply cannot go on. These men are considered, by the provincial authorities and by the municipal authorities, to be the sole responsibility of the dominion. Rightly or wrongly, that is the belief; and action is based on that belief. There is a good reason too for that belief, because the dominion, in making its proposals in 1945, said that it would undertake the responsibility for all the employables in Canada.

Will the minister tell the committee just what can be done for these men? Their plight is tragic. There is a gap there which must be filled, and I believe it must be filled by the dominion government. It is unfortunate that action has not already been taken to do something about that particular group. Will the minister tell the committee now whether they can be helped in any way at all under these proposed amendments to the act?

Mr. Martin: My hon. friend has raised a larger question that is not envisaged by the amendments or by the Unemployment Insurance Act. We must keep before us what we are seeking to do in this measure, although we may have our views about its adequacy or inadequacy. What we are dealing with here now are amendments to the existing Unemployment Insurance Act which provide for supplementary benefit payments in the case of four different classes of workers. Admittedly these amendments will not cover all the workers, but they will cover those who come within the ambit of the four classes I have mentioned.

With regard to the question as to the responsibility for unemployed employables, that is not germane to this particular bill. I do not wish by any means to depreciate the importance of that matter, but this is not the place to discuss it; we would be out of order. Admittedly it is a problem that exists, but we can deal now only with the amendments to the Unemployment Insurance Act.

As I pointed out in my statement this afternoon, what we have done is this. We have observed the principles underlying the Unemployment Insurance Act itself, we have recognized the actuarial basis of that act, we have recognized the insurance aspects of that act, and have provided supplemental payments for those who come within its ambit during a certain period. First there are the individuals who have exhausted their benefits after March 31. Second, those who have not made the required 180 contributions but who made 90 contributions within the period after March 31 before the moment of claim. Such people will be covered as well as those who, if they have not made any contributions, have worked for a period of 90 days within the last twelve months of an eighteen-month period in lumbering and logging. And then another group who work in newly insured industries for 90 days. The amendment is to cover those. We are seeking to deal with those four classes; and the extent to which we deal with those four classes is a matter that alone is germane to the discussion at the moment, in my opinion, without in any way failing to appreciate the quality and the character of the general problem which does not come within the ambit of this measure.

Mr. Green: Will the minister explain in what way the third and fourth groups come into the insurable categories? I do not think he has made that clear.

Mr. Martin: I shall be very glad to do that. The third class deals with a person who, for not less than ninety days within a period of twelve months falling within an eighteen-month period immediately preceding the time he makes his claim, was employed in lumbering and logging in any province other than British Columbia—my hon. friend will appreciate why we say "other than British Columbia". Logging in British Columbia many months ago was made one of the groups that are covered as fully insured groups under the Unemployment Insurance Act—and in any insurable employment in any place. The man might be engaged for part of the year in an insurable employment, or he might be engaged in eastern Canada in logging, a non-insurable occupation. If he comes within both of these categories he will be required to work for ninety days, with the qualifications that I have mentioned. The fourth group—

Mr. Green: Ninety days at logging?

Mr. Martin: Ninety days at logging or any insurable employment. The fourth class is a person who, for not less than ninety days subsequent to the 31st day of March immediately preceding the day on which he makes a claim for a supplementary benefit, was employed in (1) employment that was made insurable employment at any time during the twelve months immediately preceding the day on which he makes a claim for supplementary benefit. Take a concrete case. Let us say that on the 26th of December a man is engaged in an uninsurable employment which is made insurable, under the general powers given the commission under the act, let us say, on the 28th of December. He obviously has had no prior opportunity to make contributions under the Unemployment Insurance Act, but nevertheless he will not on that account suffer. In this fourth class he will be deemed to have been in, provided he has worked for ninety days since March 31. The other subdivision in that class is the person who has worked ninety days since March 31 and is in any occupation in the group that I have already described and as well in insurable employment. These are the four classes we are seeking to cover and which we say will embrace at least a hundred thousand persons.

Mr. Lesage: May I ask the minister a question about class 3. Does he mean that in order to obtain benefits a person engaged in logging in eastern Canada must have worked in another insurable trade for ninety consecutive days during the last eighteen months? Must the two conditions be put together? Must he have worked in any insurable trade for ninety consecutive days in the last eighteen months, or can he get benefits if he worked for ninety consecutive days in logging work?

Mr. Martin: Either logging or insured.

Mr. Lesage: Either?

Mr. Martin: Either one. I may say I hope tomorrow to be able to make an announcement about eastern logging. It will be put down at a later date.

Mr. MacDougall: I feel that hon. members in this house ought to be acquainted with the situation that developed on the Pacific coast. Hon. members of all parties from the greater riding areas of Vancouver, together with the hon. member for New Westminster and the hon. member for Burnaby-Richmond, took it upon themselves, at the invitation of the city council and also a general invitation of the trades and labour council and the Canadian Legion in that area, to do what we felt would be a benefit in an endeavour to solve this emergency of unemployment, which we had on the Pacific coast this year to an unprecedented extent, of some 12·9 per cent. All of these hon. members whom I have mentioned attended all or some of these meetings. The hon. member for Vancouver-Quadra, I think, as well as myself, had the honour of attending all of these meetings.

I am perfectly content with this legislation as it has been presented, because in large measure, perhaps to the extent of 90 per cent, it embraces the needs and requirements of the spokesmen of labour at these various meetings we attended in the labour temple in Vancouver during the months of December and January last.

The bringing in of these additional groups is, in my opinion, a farsighted and humanitarian legislative enactment by the government, and for that I give them full marks, despite any derogatory remarks that may be made to the contrary before this legislation receives its final readings. But in that regard no one can possibly conceive of the Unemployment Insurance Act as a complete payment over a long-extended period in lieu of employment. It was never so intended, and I do not believe any government in Canada will at any time endeavour to make it of that type; but it does cover the emergency conditions which come to the various parts of Canada at different times. It is also now embracing a large field that was not subject to benefits and which, in my opinion, it was justifiably entitled to. This legislation brings it to a consummation.

I cannot look upon this legislation as other than a great step forward. This afternoon reference was made to the fact that we are

not developing employment by amendments to the Unemployment Insurance Act. That is quite true. But, in heaven's name, we are dealing with the Unemployment Insurance Act, and the amendments are not measures designed to bring about continuous and full employment for all.

A question was raised this afternoon by hon. members who I am quite sure are better acquainted with the legislative program contained in this legislation than I am, because they have been here longer than I have been. When they said that this legislation does not create jobs, I agreed with them. Certainly, it does not create jobs, and it never was intended to create jobs. It is a cushion and a barrier against continuing unemployment caused through emergencies or seasonal operations, and nothing more.

We ought to stick to the principles of the legislation rather than run foul of it, in connection with suggestions about creation of jobs. If we stick to the principles of the Unemployment Insurance Act I believe that we will all be able to go back to our constituencies—I for one will be, and I am quite sure this will apply to all the Vancouver members—and be proud of the legislation that is proposed in these amendments.

In my riding of Vancouver-Burrard there are possibly as great a number of those who will benefit from the bill, and who had previously been excluded from benefiting under the act, as there are in any riding in British Columbia. I shall be proud to go back to that riding of workmen, men and women who are, I am quite sure, going to be extremely satisfied with the amendments introduced to the Unemployment Insurance Act by the acting minister, the Minister of National Health and Welfare.

Mr. Croll: My understanding of the government's position is that they do not for a moment suggest that unemployment insurance is a way of life. What they are saying to the committee is that the act has been on the statute books for a period of almost ten years—nine years, I believe, to be exact. Now, in the light of experience, that act has been tested and in some respects found wanting. So today we are tailoring it to the needs of the country.

To my mind that seems reasonable. The problem troubling me at the moment is not what is contained in the amendments, but rather what is not contained in them. We are doing something for people who have not been covered previously. I do not know how that will work out, but I am prepared to wait and see. At the moment it seems acceptable to me.

At this time let me deal with those people who have been covered by the act for many years, by asking this question: Did the minister give consideration to one of the sections causing great hardship, a section which in my opinion is unfair, namely the one which makes provision for the nine-day waiting period?

Those people who have been covered by the act for a considerable length of time feel that this is too long a time, and that it is a provision which imposes great hardship upon them. They believe it does not serve any useful purpose. It would seem to me that if actuarially it is possible to cut down the waiting period from 180 days to 90 days under certain circumstances, then the most which people should be expected to wait is the ordinary working week—seven days at the outside.

That would seem reasonable to me. It is pointed out by the hon. member for Fort William and by all members in all quarters of the house that that is one of the great weaknesses in the bill. It seems to me that in coming to the house at this time to ask amendments, something should be done along these lines.

The Chairman: Order. We are not yet discussing the bill.

Mr. Croll: I was referring to the resolution.

The Chairman: I believe that is a matter which comes up in the bill.

Mr. Croll: Is it contained in the bill?

The Chairman: I do not know; we shall see.

Mr. Croll: I was referring to the act. When I said "bill" I meant "act". Perhaps I am somewhat premature in my question. Nevertheless I am asking the acting minister now whether consideration has been given to that section, and if any decision has been made.

Mr. Martin: I am glad the hon. member has spoken because, while I may not be able to answer his question at the moment, it does give me an opportunity to say something which possibly I should have said at eight o'clock, and that is that the resolution before the committee is, in its very nature, lacking in the generalities that often attend resolutions introduced prior to the introduction of money bills. On that account there is some difficulty, obviously, because of the particularities of the resolution, rather than the fact that it does not declare or contain one general principle.

The question the hon. member has asked is one to which I should like to address myself, and I believe that question as well as others which have already been put might

more appropriately be put and, I believe, with perhaps better appreciation, when the bill is actually before us, so that we may see what is involved, instead of being put on the resolution stage when the bill is not before us, and when I am precluded under the rules of the house from giving all the information I should like to give.

It seems to me, if I might make the suggestion, that we should proceed from the committee stage, have first reading of the bill and distribution of it, so that we may have adequate discussion on second reading and in committee, at which time all these questions could be put and I would have a fair opportunity to reply.

Some hon. Members: Hear, hear.

Mr. Knowles: Before the applause becomes too voluminous may I remind hon. members of the experience we have frequently. We have these measures brought before us, and we attempt to discuss the details by asking questions such as that asked by the hon. member for Spadina. We are told not to raise the question now, when the discussion is general, but to leave it until we reach committee stage of the bill. Then, what happens when we get into committee? We are restricted to a discussion of those points contained within the actual clauses of the bill.

It seems to me we would gain time in the long run if we were to have some of the discussion right now, and have some of the general questions cleared up.

Mr. Fulton: In the preparation of the bill was any consideration given to reducing the waiting period? In common with other members, I have had brought to my attention the fact that while the benefits when paid are found most welcome, as naturally they would be, nevertheless when a person is suddenly faced with unemployment, because of seasonal hazards, harsh winter conditions or the like, the waiting period of nine days imposes a great hardship.

I know of cases where men have been unable to provide properly for their families in the matter of fuel and food, and would have suffered unduly had it not been for the charity of institutions which have already been mentioned. Sometimes the condition has been aggravated by delays in adjudication.

This would seem to be a pressing point, and I would be grateful if the minister would say whether consideration was given to it, and whether it is possible that the waiting period might be reviewed.

Mr. Martin: I shall be glad to go into that when we reach committee stage.

[Mr. Martin.]

Mr. Hansell: Mr. Chairman, I feel the time is opportune to make suggestions as to what should or should not be in the bill. We have all experienced the difficulty of making changes, once bills are brought down.

I am not rising either to extol or to condemn the bill. Some changes are necessary. Neither do I rise to depict the serious unemployment situation, but simply to ask a question or two which I hope the minister will see fit to answer before the bill is introduced.

I have not had an opportunity to digest the minister's speech delivered this afternoon, and it is possible that he may have made some observations which I did not hear. I am sure all of us have had some communications or representations from certain classes of labour which are not now included under the provisions of the Unemployment Insurance Act. I would refer particularly to hospital employees. I am not going to take the time to make an extended speech on that, but are we to believe now that those employees are about to be included in the act?

Mr. Martin: No.

Mr. Hansell: That is a definite answer. That being the case, I can resume my seat with some degree of comfort. I am sure that the hospitals, many of which are run by municipalities and governments, many of which are almost charitable institutions, will feel as comfortable as I from now on.

Mr. Diefenbaker: Is the minister in a position to deal with the suggestion I made regarding the inclusion in the act of those who are unemployed by reason of illness but who have contributed to the fund? Can the minister advise what attitude the government will take with regard to the inclusion of those people within the amendments to the act?

Mr. Martin: I listened this afternoon with great interest to what the hon. member had to say and I appreciate the significance of his remarks. The cash sickness benefits principle which he defends is not covered by the amendments. I would not want that answer to be taken as meaning that consideration and study are not being given to that problem.

Mr. Diefenbaker: I had hoped that more would have been done in view of the fact that the act is being amended. The class that I mentioned are now being denied any benefits under the act. It seems to be most unjust and unfair that those who have contributed to the act should be denied any benefits when they are unemployed by reason of illness. There must be a great number of people in this

country in occupations to which unemployment does not come as a rule. I refer particularly to banking. Those engaged in banking pay into the fund over the years and in my experience I have heard of no case where anyone so engaged has been able to qualify himself for payments under the act.

We have always taken the stand that one should not be taxed without advantage, particularly when it is taxation of the individual. However, in view of the statement of the minister, there is nothing one can do about this as amendments such as that can be introduced only by the executive.

I should like to secure some information with regard to one statement made this afternoon by the minister. If I took his words down correctly he stated that the fund is guaranteed against loss until 1952. He was dealing with the inclusion of certain new groups and he seemed to indicate that the additional revenue, or taxation if you will, that would be derived from the inclusion of 90,000 more employees whose salaries range from $3,120 to $4,800 would be sufficient to meet the demands of those who are now being included in the act.

Is the minister in a position to give an estimate of the extra payments that may be expected to be made from the fund, and of the additional revenue incident to the inclusion of these 90,000 employees with a salary range from $3,120 to $4,800? I think the committee is entitled to that information. Only a few moments ago the minister said that all these amendments recognize that there must be an actuarial basis for the fund; yet this afternoon he made the statement that should there in fact be a shortage in the fund between now and 1952 it will be made up in some other manner, apparently by the state as a whole contributing to the fund.

Mr. Martin: I am advised by the officers of the commission and the department that it is not possible to make a satisfactory estimate of the cost such as one could responsibly make. The general situation is that there will be one cent per day premium imposed upon the employer and the employee with the government underwriting the balance until 1952 so as to avoid impairment of the fund. It is thought that the totality of the premiums paid by the employers and the employees in their accumulated quality will be sufficient to take care of the situation. If the situation should be otherwise, it would then have to be reviewed.

Mr. Diefenbaker: The minister must have information as to the anticipated contributions from the 90,000 with salaries between $3,120 and $4,800 because statistics showing the various categories of salaries and the numbers receiving such salaries must be available. The government has been able to estimate that 90,000 will be added to those contributing to the fund and it must also have—

Mr. Martin: The figure of 90,000 referred to the increased coverage.

Mr. Diefenbaker: But the increased coverage implies that there are 90,000 with salaries of between $3,120 and $4,800 who will be included. Surely the department could estimate the contributions that those 90,000 will make so that the committee would have some knowledge of the amount that will be received in consequence of their inclusion? The minister cannot say that they have no information in that regard because the statistics I am talking about are available.

Mr. Martin: If any modification is required in the answer I have given already I will make it at a later date. I shall have the matter looked into carefully.

Mr. Hatfield: I should like to inquire about the man who worked in a war plant during the war and paid into the unemployment fund, who went to other employment, perhaps farming, when the war plant was shut down, and is now unemployed. Can such a man draw unemployment insurance when he has paid into the fund for perhaps five years?

Mr. Martin: This is an insurance act. The risks are there and it would all depend upon the particular case. If the man had made 180 contributions within two years he might get some benefits. This is exactly what it says; it is an unemployment insurance act.

Mr. Fulton: Would the minister give a further explanation as to category No. 4, I think it was, among those who are going to receive additional coverage, or perhaps among the recommendations made by the unemployment advisory committee having to do with the reduction in the number of non-compensable days? I was not able to follow him as he made his statement this afternoon.

Mr. Martin: Persons covered in clause 4 would be ones who have not less than ninety days—

Mr. Fulton: The minister has not understood me. It was No. 4 of the recommendations made by the unemployment advisory committee having to do with the reduction, as I understood it, in the number of non-compensable days.

Mr. Martin: Would you mind leaving that until we come to the bill? The details are not right before me.

Mr. Fulton: The minister made a statement on it this afternoon.

Mr. Martin: Yes, I made a general statement, but when we come to the bill I will be able to explain in greater detail. I may say that we have accepted the recommendation of the advisory committee.

Mr. Fulton: If the minister will not give me further details I must ask my question without benefit of full knowledge of the amendment proposed. What I wanted to ask, following the explanation, was whether this adjustment will have any effect on the nine-day waiting period.

Mr. Martin: Yes.

Mr. Fulton: What will that effect be?

Mr. Martin: It just reduces it; that is all.

Mr. Fulton: I think there are a number of members who are interested, and who would appreciate it if the minister would give us an answer to the question so that we can understand the situation.

An hon. Member: He does not know.

Mr. Martin: I am sorry if I did not make myself clear. That is the difficulty we get into when we do not have the details of the bill before us. I think it will be better all round if we wait until we have the actual bill before us. We will deal with that particular item in the bill, and I think you will find it more satisfactory for all purposes.

Mr. Fulton: I hope you will allow a latitude of discussion on that.

Mr. Martin: I shall be glad to hear it.

Mr. Knowles: There are one or two questions I want to ask, but before I ask them I should like to make this comment. During the discussion today we have made criticisms of the bill from this side of the house as to its inadequacy, and the hon. member for Vancouver-Burrard, the minister and others, have replied that this measure is not the answer to the unemployment problem, that it is just a case of further tailoring of the Unemployment Insurance Act. May I remind the minister, and those who have said this sort of thing, that the only reference in the program of the government for this session—in other words, in the speech from the throne—to anything it proposes to do about unemployment is to the effect that changes are to be made with respect to unemployment insurance. These members have said that this is not the solution to the unemployment problem, and in that respect they agree with us.

Well then, what is the government's solution? When do we get some answer to this pressing problem? If we are not getting that, surely we are only doing our duty to point out the gross inadequacies of this measure in terms of the small amounts workers are to receive, the small number who will receive them, and the limited period of time for which they will receive these benefits.

The question I want to put to the minister was put to him perhaps more than once during the discussion this afternoon. Did the unemployment insurance advisory committee have a chance to consider these proposals? I mean the major ones, the ones having to do with these four new classes, the fact that there is to be only an 80 per cent benefit for a certain number of days, and so on. Did the committee have these proposals before them and did they concur in the proposals that are now in this measure?

Mr. Martin: I cannot tell my hon. friend what the committee did. I know that the chairman of the committee was a member of an interdepartmental group and, along with the members of the unemployment insurance commission, sat in while there was a discussion about the principle of supplementary benefit payments.

Mr. Knowles: The minister knows as well as I do that is not a very satisfying answer. It is getting around the question without answering it yes or no. He also knows, if he has followed these matters in the house, that in discussing unemployment insurance matters we have made suggestions such as the one the hon. member for Lake Centre made this afternoon having to do with people who pay in for years and do not get any benefit when they are unemployed due to illness, and other suggestions about people who are sick after they go on benefit. The reply we always get from the Minister of Labour is that these matters will have to be referred to the unemployment insurance advisory committee. They are an important body when you have some hot potato you want to get rid of, but now when the government has a proposal to bring in that is inadequate it is pretty obvious they were not consulted at all.

Mr. Brooks: Unfortunately I was not here this afternoon, and I am not altogether clear on some points. This question may have been answered in my absence. As the minister knows, unemployment is perhaps worse in the province of New Brunswick than in any other part of Canada. It is in the lumber woods that we are having most of our difficulty. As I understand the minister, unless a man employed in the lumber woods was employed for ninety days previous to that in some insurable employment he would

not receive unemployment insurance. Suppose he had only worked in the lumber woods for a month or a month and a half; unless he had ninety days employment in some insurable employment before that he would not receive the insurance. Is that correct?

Mr. Martin: I think I have already explained that two or three times. There is an implication in my hon. friend's question as to what we are going to do about eastern logging. I have said already that tomorrow I hope to be able to make a statement to the house in that connection.

An hon. Member: He does not know now.

Mr. Martin: I cannot let my hon. friend know now. There are four classes of people who will benefit from this supplementary benefit arrangement. One of these classes will be those who have exhausted their benefits. Although they have paid 180 contributions they have exhausted their benefits after March 31 last. Another group consists of those who have only made ninety contributions since March 31 last prior to making claim. Then there is another group who have worked ninety days within the last twelve months of the eighteen-month period, and then there is the group who have worked ninety days in a group just recently made insurable. Many of the persons whom my hon. friend has in mind would be covered by this measure.

Mr. Brooks: I should like to ask the minister about the case of a young man, for instance, who is employed in the fishing industry for ninety days. As is the custom in our province, fishermen and farmers work at seasonal employment in the woods. These men are not going to receive the benefits of this insurance at all. When the bill is considered it would seem to me that these are points as to which we could very well have new amendments. We are trying to suggest to the minister now some of the weaknesses of the act. I think matters of that sort should be taken under consideration because the present measure is going to be of very little benefit, so far as I can see, in helping the unemployment situation in the province of New Brunswick. I know it is not in the act, but it seems to me when we bring in a bill of this kind to assist men who are out of employment we should prepare a bill which will be of benefit to the men who really need it. That is the point I wish to make.

Mr. Martin: I can only say that under the first schedule of part II of the act my hon. friend will find that fishing is one of the excepted groups along with agriculture and other groups.

Mr. MacInnis: I want to ask the minister one or two questions about the advisory committee, but before I do so I wish to say a word about the insurance feature of the Unemployment Insurance Act. I think if we insist upon saying that everyone who contributes towards the fund must get something out of it, we are just being unrealistic. This is insurance against unemployment. If a person contributes to the act for thirty years and does not have to call upon the fund for benefits, it seems to me that it is his good fortune. It is a social arrangement where the fortunate person who continues in employment helps out the person who is not so fortunate. So much for that part of it.

We should always try to make sure that, when a person has paid into the unemployment insurance fund and then leaves that employment and goes into uninsurable employment, without a period of unemployment, then the insurance fund he has accumulated during the time he was contributing should not be lost to him. He should be able to take advantage of it at some other time. I do not know to what extent the contributor is protected against such an eventuality. I think we should see that he is protected so far as possible.

I should like to ask a question about the advisory committee. Who are the members of the advisory committee? What interests will the two new members represent? I understand that the members on the advisory committee represent either employer or employee interests, and I was wondering whether the minister could give that information. Is the advisory committee not important enough to refer amendments of this kind to it for its decision? If it is not that important, why should the advisory committee be enlarged?

Mr. Martin: My hon. friend asks a perfectly reasonable question. The purpose of the enlargement, I may say offhand, is to take in representatives of the railroad brotherhoods. At the moment, I cannot give the personnel of the committee. I could give the name of Mr. George Burt, and I know Mr. Mackintosh is the chairman. There are several others, and I have sent for a list of the names.

The advisory committee is a body which seeks to advise the commission in respect of the act. It is exactly what its name implies. It deals largely with the ways and means of improving the existing provisions of the act. For instance, it deals with such questions as the waiting day period. Quite a number of the amendments that are going to be introduced are amendments to the existing act which have been considered by the existing advisory committee and, in most instances, unanimously approved.

The supplementary benefit is an entirely new procedure. It is not something that arises out of the existing act, but is something that is supplementary to it. It is the sort of matter for which the government, after consideration by an interdepartmental committee—at which time the commission had an opportunity of making its point of view known—has to accept the responsibility, which responsibility the government is accepting.

Mr. Graydon: I should like to ask the minister a question about the contributions which are now being increased for certain insured classes. During the time the Unemployment Insurance Act was being considered in committee, a good deal of stress was laid on the actuarial position of the unemployment insurance fund. As the minister will perhaps recall, there were a number of alternate proposals which the government declined to accept, because they were trying to put the fund on what was known as a proper actuarial foundation. I am only speaking from memory now, but I think my memory is fairly clear, when I say that was one of the reasons advanced at one sitting for not including certain special groups in the original plan. It was felt it would disturb the actuarial soundness of the fund.

I take it that now the government has stepped into the picture it has, in some way, destroyed the actuarial position in which the fund was. When I say that, I am not suggesting I am opposed to it, because at this time I think that is essential. I do believe, however, if we are going to disturb the actuarial basis—

Mr. Martin: There is not going to be any disturbance whatsoever of this fund. The supplementary benefit payments will be taken care of in the way I have indicated, by premiums imposed on the employee and the employer, and the difference will be provided for out of the consolidated fund. The insurance fund now amounts to $589,642,210.67, and will not in any way be depreciated.

Mr. Graydon: I do not think the minister understands my point. Perhaps I did not state it clearly. It seems to me the very fact that the government has now decided to guarantee the fund indicates that the actuarial position will be changed. One thing that disturbed me particularly about the bill, as described by the minister in the resolution stage, was that the workers are now going to have to pay one cent a day more than they were paying before; that would apply to industry as well. If the unemployment situation increases as it has, and becomes general, I am wondering whether or not the government is fair in asking the worker to put up that extra money to cover a nation-wide condition, instead of having the government take care of that by guaranteeing the fund. If the actuarial position is being disturbed, then it seems to me that the government is going a long way in asking the workingmen of Canada to put up another cent to cover a condition for which I think this federal government has some responsibility.

Mr. Martin: I can only repeat, because it is important that I should repeat, that the actuarial soundness of the fund, in the opinion of those who are by training and experience qualified to judge—I mention no less a person than Mr. Watson, the actuary, and others—is not being disturbed in any way.

In regard to the other question raised by the hon. member about imposing a cent a day on the worker and employer, all we are doing is simply maintaining the insurance principle. Upon reflection, I think the hon. member will agree that is the thing to do.

Mr. Johnston: I should like to direct a question to the minister, but it is one that has already been asked by the hon. member for Vancouver East. Where a man has been employed in an insurable job, and has been paying into the unemployment insurance fund for a number of years, and then takes a non-insurable position or starts to work for himself, what protection is there for this man's investment? He may have contributed for four or five years, and then finds himself in a non-insurable job. Is there any protection of the money he has paid into the fund?

Mr. Martin: That man has been buying insurance, and that is what he has obtained. I believe that sort of person is in the fortunate position mentioned by the hon. member for Vancouver East; he did not have to use the unemployment insurance fund, but he was protected.

Mr. Harris (Danforth): I just wanted to make an observation with regard to the actuarial position which has just been mentioned. I think the minister will agree with me that it is not precisely the same as it was when this plan was inaugurated. In other words, what I am trying to say is this. The moneys that your employees put into that fund find their way into the consolidated revenue fund. The Minister of National Revenue shakes his head, saying no. I hope he is right. Even if it does, it would be on a sound basis. I should like to see tabled in this house a statement showing where this $589,642,210.67 actually is, not that I am afraid that it will not be immediately available when it is called on, but if the record is checked carefully—

Mr. Martin: I think it is in the public accounts.

Mr. Harris (Danforth): Yes, it is in the public accounts; that is quite true. Our good friend, Mr. Graham Towers, whom I should like to call as a witness, made sure it went into the public accounts. But the public accounts, when they are all added together, show overwhelming surpluses. Let us remember that $589,630,000 of this money does not belong to the government of Canada. Let us be ordinary practical bookkeepers. It belongs not to the government of Canada but to our employees. Some day, and I hope it is not too soon, it will have to be paid back to those of us who have served industry and what not. Perhaps that day may not be too far distant. It will be paid back rapidly, and when the public accounts are dissipated to the extent of half a billion dollars or more we and the people of Canada, on looking at the financial statement of Canada's affairs, will not be quite as happy as we are today, with revenues which are so high. I do not mention this matter particularly to be critical. I mention it merely that we might be sensible about the position in which we find ourselves. I do not want in any way to detract from the necessity of unemployment insurance; but our bookkeeping system should be of a kind that would show the exact position, so that we would not be carried away by the almost overwhelming, I would say, superfluity of funds, some of which, to the extent of $589 million, is not our money. It belongs to those of our employees who each week have had so much deducted from them. I think the minister could explain to the house that with the advent of Graham Towers our bookkeeping system was changed just a little bit. A great number of members of this chamber have a wrong idea with regard to the surpluses that we, on the whole, have in Canada. We have a bad habit of carrying into those surpluses some of the moneys that belong to some of our employees, in the same way as many men perhaps carry some of the money which belongs to their wives in their own account. I think we should tell the public the position and be quite frank about it. I think we should tell them that that is not our money, but that it belongs to those who have served industry and otherwise since the advent of the Unemployment Insurance Act.

Mr. Martin: I am sure my hon. friend would be the last one who would want to convey the impression that the situation was otherwise. This is a trust account.

Mr. Harris (Danforth): Quite so.

Mr. Martin: It is administered by three trustees.

Mr. Harris (Danforth): Quite so.

Mr. Martin: The trustees are the deputy minister of finance, the governor of the Bank of Canada and Mr. M. M. Maclean.

Mr. Harris (Danforth): Quite so.

Mr. Martin: My information is that there is about $17 million in cash, for obvious purposes, and that the rest is in government securities. That is a trust account. That is the way it should be. That is the way the act provides it should be, and there is no intention on the part of anyone that it should be treated otherwise. That money belongs to those for whom it is held in trust; and I know that no one would want to give the impression that the situation is not as I have stated it.

Mr. Harris (Danforth): I merely rose to emphasize the fact that the money does not belong to the government but belongs to those who have served industry.

Mr. Graydon: May I direct one question to the minister, arising out of the practical arrangements to be made for payment of these additional amounts on March 1, as I understand the intention to be.

Mr. Martin: As quickly as possible.

Mr. Graydon: What notice have the unemployment insurance offices all over Canada received with respect to the government's intention to make this change? It will be a tremendous burden upon the offices unless sufficient notice has been given by the government of the intention to make the change, and I am hoping that it has not just been given within the last few days; because, if it has, then of course the difficulty with respect to the men getting the cheques will be just that much greater.

Mr. Martin: We could not say what parliament would do. That decision depends upon the decision of this house. But preparatory steps have been taken to minimize any delay.

Mr. Graydon: Does the minister expect that the first cheques will be issued under the new scheme on March 1?

Mr. Martin: Just as quickly as possible. I would not want to specify a date.

Resolution reported, read the second time and concurred in.

Mr. Martin thereupon moved for leave to introduce Bill No. 8, to amend the Unemployment Insurance Act, 1940.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read a second time?

Some hon. Members: Now.

Mr. Knowles: Next sitting.

Mr. Martin: I wonder if we could proceed with the bill now?

Mr. Knowles: The hon. member for Peel (Mr. Graydon) and I, if not others, had a conversation with the Prime Minister (Mr. St. Laurent) last night in which he agreed that, with all these technical details, it would not be unreasonable for us to ask that the rules be observed at this point. Let us get the bill printed and into our hands before we are asked to proceed further.

Mr. Martin: Tomorrow, then. My hon. friend is very helpful, and I recognize that fact.

Mr. Speaker: Next sitting of the house.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, February 22, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, may I join those who have spoken in this debate in congratulation of the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address. In addition I venture to congratulate the leaders of the various parties in this house upon the excellent speeches which they have made on this occasion. I was particularly pleased that the hon. member for Peace River (Mr. Low) spent a good portion of the time allotted to him in advocating federal aid for education, a cause to which I have myself in the past given some time and effort, and one which I hope to promote further in the future. But it is not with that subject that I wish to deal tonight.

The speech from the throne was just what one would have expected. Its failings have been advanced by various opposition speakers who have preceded me. To me it was a vague admission that the state of things in the nation was not quite as it should be, and the pious hope that the deterioration would not continue. Apparently we must wait and see. We are, forsooth, not the masters of our own destiny, but rather its victims. There is little sign of action on the part of the government to guide it.

I hope to say a word or two on foreign affairs. After the speech of the Secretary of State for External Affairs (Mr. Pearson), one feels somewhat diffident in approaching that subject; but my courage is bolstered by the fact that, as I have been thinking, it is no mean thing to be a free member of a free parliament possessing a right equal to that given to all others, to express freely one's own ideas in this House of Commons, whether those ideas may be considered right or wrong.

It has often occurred to me that a very small proportion of the members in this house do discuss foreign affairs, or in fact many matters outside our own boundaries, even when these matters pertain to our own affairs and have a direct bearing upon them. The average member appears to shun such debates. I have sought in my own mind for a reason for that. Is it perhaps a relic of the long period in which our international diplomacy was handled almost entirely by the mother country, Great Britain? Can it be that, awed by the wealth and power of our immediate neighbour, we are diffident about advancing independent views on international matters, letting the United States speak to some extent for us? Is it perhaps an insularity produced by our geographical position and the fact of our remoteness from the ferment of Europe and of Asia and of being surrounded, as we are, by two great oceans? Well, sir, insularity in these days is a difficult position to maintain. The impact of world affairs must be felt even by those who would avoid them or who have no interest in them. World problems have become our problems.

I have said that there is little discussion of international affairs in this house. Such debate as there is is largely in the form of pronouncements made by the Secretary of State for External Affairs. We listen with an awe invoked perhaps by envy, or perhaps to some degree by the recognition of his greater opportunities to obtain information upon those particular subjects. But let me say, sir, that we must not, with all due respect to the minister, leave the evolution of Canada's foreign policy to the mind of one man, however brilliant that mind or that man may be.

The recent speech of the Secretary of State for External Affairs was to me a disappointment. I have no doubt that it was a disappointment too to the diplomats who crowded into the galleries to hear him. It was a delightful and interesting travelogue by a genial globe traveller. It might just as well

have been given by the Minister of Fisheries (Mr. Mayhew), who shared the minister's journeyings.

A moment ago I spoke of the minister's speeches as pronouncements. Well, in this speech there was certainly no pronouncement, no announcement of a firm decision, no statements of government policies. Are these decisions, if any have been made, to be clothed in that same cloak of secrecy in which the government has been so successful in wrapping certain other matters? Or could it be that this Canada has perhaps no independent foreign policy and must wait until that policy is formulated for her by other governments? We would have liked to hear what decision has been made in regard to the recognition or the non-recognition of China, upon which an early statement had been promised. We would have liked to be given a gleam of hope for betterment in what we call the cold war situation, and to have been told that some action had been taken by the government upon which such a hope could have been based.

Throughout the speech there was one welcome note. The minister said that he and the government realized the need for supporting with sympathy and with material aid the new nations of the East to the end that they may preserve their independence and their freedom, and here I might suggest investment of sterling which we can obtain for our surplus products and which we could invest in those countries. But again apparently no firm decisions have been made or at least announced as to the amount of our commitment in that direction.

The minister made the point that our commitments in the East would necessarily be limited by the fact of our commitment in the Atlantic sphere. In the light of the minister's statement that the centre of gravity of world affairs has moved now to eastern Asia, one might ask if there had been any review of commitments in the western sphere. We should like to have heard how successful in that sphere we have been in promoting the objects for which those commitments were given.

There are feelings of unease in the country in regard to that. The government's opinion, and the opinion I think of the great majority of Canadians, is that those commitments were necessary as a security measure against possible aggression, and as an active step towards promotion of economic co-operation and world peace. There is a small body of opinion —and I am glad that it is small—which would oppose any co-operation, through their desire to aid a foreign power. Their numbers, as I have said, are fortunately few. Then there is a third and honest and loyal group of thinking people who are worried lest our commitments may involve us, not in co-operation and in human understanding, but in a struggle not necessarily based upon ideologies, but upon the rivalry of two powerful nationalistic and sovereign states. We would have liked some reassurances which might have been for us a renewal of our faith. So much for the speech of the Secretary of State for External Affairs.

The speech from the throne too was disappointing, in that it lacked any constructive proposal for the improvement of what we call loosely the international situation. An absence of expressed optimism is easy to understand. For indeed the situation there does continue, if one may accept the opinion of the press, to deteriorate. We as a nation seem to have no solution, and we are pinning a shaky faith to an increased and crippling program of defence.

The minds of the peoples of the world, sir, are possessed with deadly fear, the fear of war. This fear is shared equally by the people of my constituency and of my province. The people of England are thinking about the same thing. Mr. Churchill knew that very well when he introduced into one of his election speeches the other day a promise that if he were elected he would try to do something about bringing about a cessation of these war preparations which presage disaster. He would have been the last man to have suggested discussions with the Soviet union at the highest level, unless he had known that there was in the hearts of the people a response to that desire and that call for peace. The people of England have much to fear from another war. They know that in such an event their little island will simply be an advance air station, an advance depot and air base for one of the two mighty antagonists; and as such they can be only a target of the life-destroying missiles of the other.

Dare one in these times, in this nation and in this assembly, lift up his voice in the cause of peace, without having his motives misunderstood? Dare one suggest the truism that war settles nothing permanently? Dare one warn this house that, with the atomic bomb and the hydrogen bomb extant, war would be the ultimate disaster? Dare one say that it would promote the spread of the very scourge which we now by our every effort oppose? To me it is an awful thing that men can even contemplate the use of the destructive weapons which they have under their hand. We are not in these days training great armies of fighting men. They have become obsolete. War has been robbed of any of the manly attributes that it might ever have had.

No, we do not train infantry soldiers any more; we put our faith in scientists and technicians. And by that very fact we are admitting that war in the future is to lose those manly attributes, if it ever could be said to have had any, and become a conflict as to which side can destroy first and most completely the civilian populations of unarmed men, women and little children.

Sir, these are gruesome things to contemplate, but I think once in a while the truth about them should be said. I have pictured to the house Hiroshima to the nth degree. The survivors will be the winners and there might not be too many of them to get ready for the next contest.

Someone, I have forgotten who, upon being asked what would be the weapons in the third world war, said that he did not know what the weapons of the third world war would be, but he did think that the weapons of the fourth world war would likely be bows and arrows.

Somehow or other the people of the world will have to get together and solve this problem. Somehow or other mutual distrust and misunderstanding, among peoples and among nations, will have to be dispelled. I am familiar, as we all are, with the attempts which we have made in that direction. I make no excuse for any government that has been the means of blocking those attempts, nations that indeed have shut off their populations from intercourse with the rest of the peoples of the world.

I, myself, believe in freedom of communication, freedom of discussion, freedom to choose for ourselves any form of government that we wish. In short, I believe in democracy—political, social and economic. But my whole life—and this has been the experience of most hon. members in the house—has consisted of two great cycles, each composed of three parts. Each of those parts has been induced by the one which has preceded it. They are all interdependent, one upon the other. Two great cycles, I say, or a series of the three states—depression, war and prosperity. And each of them is the cause of the one which follows upon it.

At what stage of that cycle do we now find ourselves? Well, hon. members will have to decide that for themselves. But the year 1912 and the year 1929 keep intruding themselves upon my own thinking as corresponding to the present time. We must somehow or other learn to break that cycle. It would be a disastrous thing if people were to accept such a cycle as necessary and inevitable. And it would be a greater tragedy if our young people were to accept war as a necessary prelude to the good life, to the extent that when faced with a state of depression they might become reconciled to accepting, in the course of things, war as an alternative.

The problem of peace, at the moment apparently insoluble, must be solved. I know not what such a solution may involve. It may involve some sacrifice of national sovereignty. It may ultimately involve some form of world government. We have been called upon many times and oft to make sacrifices in the cause of war. Someone, somewhere, somehow—probably some nation—may be called upon to make sacrifices in the cause of peace. And when I speak of peace I do not do so in any sentimental or emotional way. I do not mean peace at any price. I am well aware that a state of peace can be a state of uneasy mistrust and suspicion.

The peace which I hope for must be based upon law and order, and that will have to be on an international level. I should like to ask Canada to take some initiative in the pursuit of a peace of that kind.

There are many people in this country who think that the diplomacy of our own Department of External Affairs is guided by the corresponding government department in the United States. The fact that we are allied with the United States for purposes of defence certainly does not, nor should it, imply that we should follow the lead of that nation in all matters, nor that we should imitate it slavishly in its decisions upon international relations. Personally I have no wish that Canada should become, either in peace or in war, the tail of the American comet. Perhaps it may sound ridiculous that I, in my humble place, should pass judgment upon a nation of 180 million people; but I venture the suggestion that the United States has given evidence of some naïveté in its foreign policy which has not been evident in the foreign policy of other nations—and I am thinking notably of Great Britain. I am thinking of how Great Britain handled the problem of India, bowing to the inevitable, and at the right time and, may I say, under circumstances which left little if any of the old bitterness as between what had been master country and colony, but rather left a feeling of friendship and co-operation for the years to come.

I am considering, and I am sure the Asiatic nations, too, have been considering, the support by the United States of the unscrupulous regime of Chiang Kai-shek. I do not know whether the influence of the United States has prevented us in any way up to the present time from recognizing the government of China. I think we have been mistaken in postponing so long such recognition. I do not know whether the government even now

is prepared to recognize the Chinese government, and a pronouncement from our Secretary of State for External Affairs (Mr. Pearson) is in my opinion long overdue.

While the revolution in China is communist-led, in my opinion it is not a communist revolution as such. A friend of mine who was in a position to follow closely and to judge what has happened returned recently from that country and he tells me that until a short time ago there were groups representing distinct divisions in Chinese governmental opinion and there was a possibility that one of those divisions might lead the government of China away from Stalinist affiliation. The picture from the democratic standpoint seems to have been darkened in recent days by the news that a comprehensive trade treaty has been signed by the Chinese with a group of iron curtain nations. I wonder if our tardiness in the recognition of the government of China has had anything to do with the opportunity which another great power has grasped to make a treaty of that sort. Perhaps once again it is a case of being too late. Perhaps we have played into the hands of Moscow.

My friends will tell me that I do not know anything about it. Admittedly, I do not know much about it, and I can only use such judgment as I have and apply it to the facts which I can ascertain. So far as this government is concerned, the matter of external affairs has not been one about which we have been taken into its confidence.

The white and western races of the world have been none too wise in their treatment of Asiatics. We have looked upon them consistently as being people to whom we could sell something or from whom we could extract cheap labour. Up to the present time we have not devoted our energies to sharing with them a better life. If we are honest with ourselves we must admit that never in our own minds have we granted to them the status of equality.

Now the western world is in a different position. The western world is now under the cool and critical scrutiny of the millions in the east. They have looked upon our support of the oppressor in China. They are considering our refusal to recognize that government. They know of the tardiness in making a permanent settlement with the great country of Japan. Many of the eastern races have won their fight against foreign domination and now they are at the crossroads and they have to decide which way they are to go. They have to decide what they are going to do with their new-found freedom.

India, Indo-China, Pakistan, Burma, Malaya: they are all looking on. They are studying democracy as we practise it. This democracy of ours is under the scrutiny of people who have never had an opportunity to practise it, who have never known its blessings and its satisfactions, and can judge it only by its effect. They want to know if it feeds the hungry. They want to know if it uplifts the downtrodden, if it cares for the sick, if it guarantees an equality of opportunity to its adherents. Let us hope that we have not been tried and found wanting, for it may be later than we think.

We have better weapons than the atom bomb with which to deal with people. We have better weapons than the hydrogen bomb with which to handle communism, which nearly always is the result of poverty, hunger, misery and social injustice. Perhaps even at this late date we can set out to win the friendship, respect and gratitude of the eastern people. Either we shall do that or we shall continue to drive them into the arms of Soviet Russia.

Asia looks at our attempts to solve the problem of surpluses of food and other material wealth, and our general acceptance up to now of the idea that the waste of war is necessary to do away with embarrassing surpluses. They can tell us how to put those surpluses to better use. How will they look upon the proposals being made in many quarters that the production of consumer goods, particularly of agricultural foodstuffs, shall be curtailed? How will they look upon proposals for the curtailment of production while their children, and perhaps some of ours, are starving for lack of the necessities of life?

I noted what the leader of the opposition (Mr. Drew) had to say the other day in his speech when he advocated the promotion of schemes within this country designed to increase that same consumer production. One of the things which he was advocating was irrigation. Irrigation will produce foodstuffs in great abundance, but the leader of the opposition did not suggest how any surpluses were to be got rid of in a world which is already beginning to be cluttered up with surpluses.

The dividing line between poverty and plenty always appears quite suddenly; there is no space between the extremes. We come through a period when we are all short of goods, and then suddenly, just like that, we have more goods than we know what to do with. They are there upon the shelves and the only solution to that particular problem we have evolved up to the present is to destroy as many of them as possible in the process of war, or to substitute for those

unsalable consumer goods weapons which are destroyed but which absorb the human energy of the worker.

I take it that the leader of the opposition is not prepared to offer a solution for the disposal of this increased production. It is an unfortunate fact that every country in the world, even those not so highly industrialized as our own, under the queer economic set-up now extant wants to sell and on the other hand no one is willing to buy or has the money, or the right kind of money, with which to make purchases. Our own refusal to accept money or goods has forced Europe into the uneconomic production of grain and other foodstuffs. Every government in western Europe, and for all I know in eastern Europe as well, although it is difficult to obtain information from that source, at the moment is subsidizing its own farming industry. They are helping the farmers with free chemical fertilizers, with farm loans, with advice from the extension departments in their universities. This is being done for one particular purpose, so that the countries in question may become as nearly as possible self-sustaining in the matter of food supplies. These people have not forgotten the hunger of the last war; they have not forgotten the devastation that fell from the skies upon their fields, and they are not unaware of the threat of war that overshadows them now. All this forms the main impetus for the process which I have just described.

Thus it is that the production of grain, notably wheat, dairy products, eggs and meat is climbing steadily and the need for imports is decreasing proportionately. Some of those countries which will be self-sustaining before very long, and are almost self-sustaining now, are Denmark—notably Denmark—Belgium, France, Holland, Sweden and Eire and last but not least Britain herself. If you think of these countries you will remember that some of them have been the best markets for some of our own products. I am afraid that they will be so no longer. To whom shall we sell our goods? Nobody seems to know. The purchasing power of our own people is diminishing because of unemployment. The people of the United States normally produce surpluses of the very things which we produce ourselves. That nation, instead of becoming our purchasing customer, is becoming our rival in the sale of the things which we have available for export.

I take it that our United States friends are often misquoted, or perhaps the sensational journalism to which we have become accustomed quotes those sayings of public men in any country which are startling and dramatic. Thus I am in no position to judge whether or not United States opinion is correctly reflected in the reported outbursts of some of its public men. Some of them seem to hold opinions which I hope the government leaders of our country do not share. The secretary of defence of the United States, Mr. Johnson, is reported to have stated on a recent occasion, in language more vigorous than judicious, that "we should lick hell out of the Russians." Granting provocation, and I do grant provocation, I suggest that is a type of bravado in which one should not indulge. I do not want to lick hell out of the Russians and I do not want anyone to lick hell out of me. May I respectfully suggest that licking hell out of anybody is not the way to defeat communism. I suppose we licked hell out of Germany. I would ask you, sir, whether the fact that we licked hell out of Germany has decreased the number of communists in that country or has increased them.

What has been the over-all result of trying to lick communism by force in Germany or elsewhere in the world? What kind of people become communists?

An hon. Member: C.C.F.'ers.

Mr. Knight: I will tell you about that in a minute. My hon. Liberal friends from Saskatchewan can never forget that one thing which occupies their every moment asleep and awake. I should like to speak seriously for a moment if I may. What kind of people become communists? It is precisely the people who take a licking, whether that licking be spiritual, economic or physical. Communism is the result of poverty, social injustice, hunger and despair. You will see why I am discussing this in connection with foreign affairs, and I am thinking now particularly of the eastern nations to which I referred at the beginning of my remarks. War produces those very conditions, does it not? It is to be hoped that the discovery five or six months ago that the Russians have atomic bombs in their possession, and that the general realization of the awfulness of the latest weapon of total extermination, the hydrogen bomb, will bring about a new approach to the matter of the international control of such weapons. When we find Einstein declaring, as he did in New York a week or two ago, that if the H-bomb is developed annihilation of any life on earth is within the range of technical possibility, then it is time to do some thinking and to act upon the thought.

The possession of the hydrogen bomb will give no security to the United States, Canada or anyone else. The United States people either have not now or will not long continue to have a monopoly of that particular weapon. Its creation is a menace to all the peoples of the earth, and efforts should be renewed to

have it and all weapons of that degree of frightfulness—you can include them all so far as I am concerned—outlawed by all nations by United Nations organization agreement.

Might I urge the Canadian government that it might well initiate, or support, if it has been initiated, a new approach or any approach to this problem which might have a chance of a successful conclusion. Inspection and control of weapons, within the machinery of the United Nations, would seem to be implicit in any agreement, and by a successful conclusion I mean one which would accomplish the aim of making it impossible for either side in this particular struggle to use such weapons as I have been discussing.

The other day a former United States secretary of state, James F. Byrnes, declared that socialism and communism are identical perils. Perhaps I will now answer indirectly the interjections of my hon. friends on my right but who are to the left of Mr. Speaker. Muddy thinking of that type as evidenced by the statement of Mr. Byrnes, the secretary of state, who declared that socialism and communism are identical perils, muddy thinking of that type on the part of North American leaders will ill serve them in their professed attempt to save western Europe from communism, a Europe in which there remains hardly a capitalist nation and only one fascist nation of any importance. The only political force active at this moment against communism between the iron curtain and the Atlantic coast of Spain is the socialism of the democratic socialist nations such as Belgium, Norway, Sweden and Great Britain. Such socialist nations stand on guard for democracy in the Europe of today. I doubt if there is a member in the house who can deny that. I mean an intelligent member who is prepared to face the issue and debate it intelligently.

The communism of Moscow has never practised democratic socialist principles and has suppressed them everywhere in the territory which it has overrun. There is a real danger that we are going to miss the boat again. There is a real danger that the people of the United States may be no better informed than is their former secretary of state, and they might consent to an isolation of themselves from these groups which up to the present have succeeded in retaining their freedom. Withdrawal of the support of the North American nations from these groups would be disastrous to the cause in which we are all involved.

Neither the United States government of the day, nor the Canadian government of the day, may agree with the political philosophy of the majority of the people in those countries, but what is the alternative to socialism in those countries? Do we desire that alternative? One of the best ways to bring about that alternative, is to belittle and neglect the friends and potential allies who are organized to oppose it. One thing that those countries need is hope. As the Secretary of State for External Affairs (Mr. Pearson) said yesterday, and I use his words, most of all they need hope. They need friends even more than they need American dollars.

The existence of these misunderstandings, such as has been illustrated by the interjection of the hon. member and such as have been shown by the former United States secretary of state, might well provide a mission and a challenge for our own Secretary of State for External Affairs. The correction of these blunders, the interpretation of the ideas of various people to men of different political philosophies, but united by a passionate desire for political freedom, might well present a challenge to him.

The other day I read that a slogan had been adopted by a group of Republicans in the United States. It was this, "Liberty versus socialism". It is the same kind of thing that one might hear from my hon. friend. It is the same kind of thing you might see in an election pamphlet, but that you would not take very seriously.

Where is Britain today? Where is the Britain who has proven on many blood-soaked battlefields her love of liberty and the willingness of her sons to die for it? In the aftermath of the last holocaust, Britain adopted democratic socialism as the only method of preserving the liberty of her people. I fancy she is doing it again tonight, as her election returns come in. Irrespective of the result of the election which took place today, I say that by so doing she was able to accomplish that object at that time, and since then has advanced some distance at least along the path of freedom, social, political and economic.

It has been the great genius of the British people that they were able to reconcile that love of liberty, that love of freedom, with the attainment of social and material benefit over the last five years. That these advances are of a permanent nature is generally conceded; indeed, that fact is admitted by all, even by those who would form a government in England alternative to the present one. At the moment, the likelihood of that alternate government being formed is not very great. I say that even if there had been a Conservative government elected in England today, that government would not

dare to ask England, in her present mood, to take one retrograde step upon the path of progress which she has been pursuing.

Mr. Victor Quelch (Acadia): Mr. Speaker, I was surprised and disappointed when the Minister of Veterans Affairs (Mr. Gregg) yesterday stated that it was not his intention to set up a special committee on veterans' affairs at this session. During the past fifteen years that I have been in this house, it has always been the custom to set up that committee during the first session of each new parliament. That was the case in 1936, 1940-41 and 1945-46. I believe there will be a good deal of resentment amongst the veterans when they hear that this committee is not to be set up. They were taking it for granted that the committee would be set up at this session to deal with a number of their problems. They will wonder why the government should now consider their problems of less importance than they have been considered in the past.

I believe that anyone reading the speech from the throne, and the speeches of a number of Liberal members who have spoken in the house this session, might easily come to the conclusion that the blame for the loss of Canadian markets in Europe rests outside Canada. I would say that anyone who will face this situation with an unbiased mind must admit that a large share of the blame rests squarely on the shoulders of the Canadian government. I was surprised to hear the hon. member for Yorkton (Mr. Stewart) yesterday blame the loss of markets upon the devaluation of sterling by Britain. I do not want to be charged with misrepresenting what he said, so I shall quote his words, which are to be found on page 146 of *Hansard*:

> As hon. members know, the markets were lost in England to a certain extent not by the action of this government but by the action of the British government itself, and by an action which Sir Stafford Cripps on many occasions said he would not take; I refer to the devaluing of the pound. That is why the markets were lost. There is no question about that. Why then try to pass the buck to the government?

Well, Mr. Speaker, there is a very large question, because that is not a statement of fact. If the hon. member will read a speech that was made by the Minister of Agriculture (Mr. Gardiner) before the Canadian chamber of commerce in London, England, in 1948, he will find that the Minister of Agriculture was complaining over the fact that our contracts were being cut down; we were losing markets. That was nine months before devaluation, so it cannot be charged that devaluation had anything to do with that.

Neither can it be charged that Sir Stafford Cripps voluntarily brought about devaluation. Time and again he had stated he did not intend to bring about devaluation, but what happened? For over a year in the United States, and to a lesser extent in Canada, and by the international monetary fund, a strong campaign of propaganda was carried on to make people believe that devaluation was inevitable. People were told that the only way Britain could expand her exports to the dollar areas was by reducing the price of her goods. It was stated that the price of British goods was so high they could not get into the United States market and, therefore, Britain would have to devalue the pound. After some time people believed that the thing was inevitable, that devaluation was bound to come about. Consequently, many of the great importing firms deferred their purchases from Britain waiting for the day when this devaluation would come about. That, of course, accentuated the dollar shortage and created a crisis in Britain which finally forced devaluation. By no stretch of the imagination, therefore, can it be charged that the loss of markets is due to Great Britain's action in devaluing sterling.

During the last session of parliament the Minister of Trade and Commerce (Mr. Howe) charged that many of us on this side of the house who were asking for a more realistic approach to international trade problems were adopting a pessimistic attitude. He said we were confusing realism with pessimism. I believe that the past few months have shown that our fears were well founded, and that the minister was either indulging in wishful thinking or living in a fool's paradise.

If that is not evident to the minister or to the government, I may say that it is quite evident to the farm organizations and to the farmers who, as a result of the loss of markets, are facing quite a drastic reduction in income. Today, with unemployment figures climbing and the income of agriculture being reduced as a result of the loss of markets, discontent and fear is spreading throughout the country; that fear is with regard to what is going to happen in the future. I would say that the speeches that have recently been made by the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin) and the parliamentary assistant to the Minister of Veterans Affairs (Mr. Mutch) have not helped to create confidence; they have merely added insult to injury.

With the world becoming divided into two armed camps we cannot afford to allow fear and discontent to undermine the morale of the people in the western camp, as a result of poverty expanding in the face of potential plenty. The situation would be different if there were an actual lack of resources in the world to provide for its needs. But today we are faced with this situation. Certain countries are talking about cutting down their production because of the lack of markets while at the same time people of many countries are facing starvation. It seems to me that the tragedy of this whole question is that back in the years 1944 and 1945 it was crystal clear that the international financial policies that this government were supporting were bound to lead to the present situation of a so-called dollar crisis. Plenty of warnings were sounded, by various organizations in this country and others, as to what would happen if we continued to follow that road. Certainly this group in this house in 1945 did everything in their power to convince the government that, if they followed out the policies they were sponsoring at that time, the inevitable result would be a falling off in production as a result of the loss of foreign markets.

At the end of the war we were faced with two main problems. First of all, there was the need to bring about the reconversion of wartime industries to peacetime production and also the need of rehabilitation of the devastated areas. In the second place, there was the need to provide for the distribution of the production of nations, once reconversion and rehabilitation had taken place. I think everybody would agree that, as to the first problem, we have made good progress. Production in this country is up to a high level, and even in Europe I understand that production is about 20 per cent higher than it was prior to the war. But we have not made any progress whatsoever in solving the other problem, that of getting surplus production to people who need it. It is exactly the same problem we faced between the two wars, during the hungry thirties. We failed to solve the problem at that time, and we had to wait until the war came along, when large markets were created, to be able to get out of that situation. But today our problem is far greater than it was in the years between the two wars, because our powers of production today have greatly increased.

I do not want to labour this point, but just let me remind the house of the post-war financial program that was not only supported but actually sponsored by this government. In 1944 certain international financial proposals for financing the post-war period were presented before the reconstruction committee of this house. In 1945 the Bretton Woods agreement was placed before this house, that is the proposal to set up the international monetary fund and the international bank for reconstruction and development. Since that time I have heard many people state that it was not the purpose of these institutions to provide for the entire financial needs of international trade in the post-war period but that they were set up only to provide a breathing spell. It is interesting to note what John W. Snyder, secretary of the treasury of the United States and chairman of the board of governors of the international bank for reconstruction and development, stated at the first session in 1946. His words were as follows:

> The fund and bank were designed to meet both the immediate post-war and the longer-term monetary and financial needs of the world.

That was the purpose as stated by Mr. Snyder. I think that everybody would admit today that those two institutions have failed to provide for the monetary needs of the world; not only have they failed, but they have failed miserably.

In 1945 we criticized the international monetary fund on the ground that it had a definite pro-creditor bias. It was supposed to provide for the stabilization and the balancing of trade in the world, but it placed on the debtor nation the full responsibility for bringing about that balance of trade and placed absolutely no responsibility or obligation upon the creditor nation to play its part. It is true that a debtor nation that is unable to meet its payments can obtain foreign exchange from the international monetary fund in exchange for its own currency. But if that nation is unable to redeem its currency that is held by the fund in excess of its quota, that country is obliged to pay an expanding rate of interest. The rate of interest increases every year until it reaches the figure of 5 per cent. Once the rate of interest reaches 5 per cent, the international monetary fund is permitted to charge that country any rate of interest it likes.

I wonder how any member in this house would like to sign an agreement whereby he guarantees to pay any rate of interest his creditor names in the future, if he is not able to meet his commitments. I do not think any member of this house would be prepared to sign an agreement of that kind. Many nations in the soft currency area were not anxious to sign it, but they were forced to do so, as the Bretton Woods agreement was made the price of help given to them by the

United States of America. There would not be the same danger involved in a nation's incurring a debt to the fund if some obligation was placed upon the creditor nation to buy goods from the importing nation. The importing nation would then be able to secure the foreign exchange necessary to redeem the holdings of its currency held by the fund. But in view of the fact that no obligation is placed on the creditor nation to buy goods from the importing nation, the debtor nation is therefore in an uncertain and unfortunate position.

We therefore repeatedly warned that the implementation of the Bretton Woods agreement would breed a program of self-sufficiency within the soft-currency countries; and of course that is exactly what is happening today. In an endeavour to balance their trade, the soft-currency countries are steadily curtailing their imports from the dollar area. They have no other alternative. We today urge, as we have consistently urged in the past, that we recognize that the true purpose of international trade is the exchange of goods and services as between nations on a basis of mutual advantage. Therefore, since the only currency required to buy the exports of the sterling area is sterling, we should accept that in payment of our exports.

We have also advocated the setting up of an international clearing house, upon which credits held in one country could be exchanged for credits in another. It is interesting to note that today there are many organizations now advocating a somewhat similar procedure. The London chamber of commerce of England, probably one of the oldest institutions of its kind, an organization that has had more experience in international trade probably than any other organization in the world, have for long advocated such a procedure. Now we find that farm organizations in Canada, in the United States, and in other countries are advocating a somewhat similar procedure. The international federation of agriculture producers and the Canadian Federation of Agriculture and the commodity experts of FAO are now advocating the setting up of an international commodity clearing house, which in many respects is similar to the international exchange which we have been advocating in the past.

In his speech the Secretary of State for External Affairs referred to the sterling situation. I want to quote his remarks, which are found at page 135 of *Hansard*:

> We have always contended, however, that the sterling area as we know it today should be regarded as a transitional stage on the way to a trading system where currencies will be convertible and where exchange controls and quantitative restrictions will be drastically reduced.

[Mr. Quelch.]

I would say that the achievement of that goal can only be brought about by the dollar area being willing to accept exports from the sterling area in payment for their exports. I would say that that is the only long-term solution. True, the United States of America and Canada can make foreign investments in soft-currency countries but that would be a short-term solution. I say it cannot be regarded as a long-term solution, because finally we shall have to accept exports from the sterling area to pay the interest on our investments in addition to their exports in payment for our exports. Therefore on the long-term basis it merely aggravates the situation because we would then have to accept an unfavourable balance of trade in order to make it possible for the sterling area to balance their payments.

I was very much interested in the statement of the Prime Minister (Mr. St. Laurent), because I think he dealt with this thing in a very straightforward and frank way when referring to the question of the convertibility of currency. I quote his statement, which is to be found on page 51 of *Hansard*:

> The leader of the opposition (Mr. Drew) talked today about the reasonableness of making currency convertible. The difficulty is not with respect to the converting of currency, but is rather with respect to the exchange of goods. Trade is not the passing of pieces of paper from one person to another. Trade resolves itself into the exchange of commodities; and the difficulties about the non-convertibility of exchange arise from the fact that there have not been commodities which could be delivered to us in exchange for our commodities exported to the United Kingdom.

I agree entirely with the first part of the statement. Of course the second part is not entirely correct in so far as the present situation is concerned. It was true in regard to the situation immediately after the war; but it is not correct today to say the reason that Britain has an unfavourable balance of trade is that she has not got goods to export to us. There are many goods that Britain is able to export to us, but we are not prepared to accept them. Furthermore, let me point out that it has not always been the policy of this government to accept exports from Britain in payment for our exports. Our policy in the past has been to insist that Britain pay for our exports in dollars. In order that there be no doubt about that let me quote from a debate that took place back in 1946 when Mr. Ilsley was Minister of Finance. At that time we were discussing our loan to Britain. At page 764 of *Hansard* of that year Mr. Ilsley said:

> We must be able to use the proceeds of our exports to the United Kingdom and the continent of Europe in paying our own bills and debts in the United States.

In other words, we must be permitted to demand payment for our exports to Britain in dollars in order that we may pass these dollars on to the United States to make up our deficit. Then I asked Mr. Ilsley this question, which may be found at page 919 of *Hansard*:

> Will Canada be prepared to accept goods from the United Kingdom in payment of loans? How will the United Kingdom maintain convertibility of the pound if Canada and the United States do not provide the United Kingdom with dollars by purchasing British goods to the extent of the British credit?

I had pointed out that in view of the fact that we were making loans to Britain then, in the future not only would Britain have to export to us goods to pay for our exports, but, in addition, would have to export to us goods to pay interest; so the net result would be that we would have to be willing to accept an unfavourable balance of trade in the future. Mr. Ilsley replied:

> It is not necessary that there should be adverse balance of payments between Canada and the United Kingdom in order to enable the United Kingdom to repay the loan. She can pay for Canadian goods by exports to other countries as well as to Canada. Under a multilateral trading system and convertible currencies—

I would like to hear Mr. Ilsley's opinion on that statement today. It is true that prior to the last war Britain had large-scale foreign investments in other countries. She received interest on some of those investments in the form of dollars. She was able to transfer those dollars to her creditors in the dollar area. That is not the situation today. Many of those nations in which she had large investments prior to the war are today Britain's creditors, for instance, India, Pakistan, Egypt. I noticed from a debate in the House of Commons in England that today 40 per cent of the exports from Britain go to pay debts incurred during the last war.

The minister says that she can sell goods for dollars to other nations. What nations? In view of the fact that the United States of America has a favourable balance of trade with the sterling area of over $6 billion, it must mean that there is a deficit of around $6 billion as between the sterling area and the dollar countries. Certainly, Britain will not be able to get a surplus of dollars by exporting goods to the United States of America, and therefore naturally in the final analysis if we want to get paid by Britain on account of her indebtedness to us, and if we want Britain to buy goods from us, then we must be prepared to provide her with dollars by buying her exports. There is no other alternative, because Britain is apparently making it quite clear to the world today that she is not prepared to continue to go into unrepayable debt. Therefore I would say that the policy that we have insisted in pursuing is very largely responsible for our loss of markets today.

I want to deal specifically with the question of markets for farm products. We hear a lot of talk about surpluses; we hear a lot of talk about lack of markets; and we are starting to hear talk about the need to curtail production, owing to the fact that markets are shrinking. But when we hear that kind of talk we should also recall what the Secretary of State for External Affairs (Mr. Pearson) told us yesterday concerning the tremendous degree of poverty in many parts of Asia, where people are suffering from a very low standard of living, and are desirous of obtaining goods from other countries.

Also the Minister of Agriculture (Mr. Gardiner), speaking before the FAO, referred to the need for expanding production to meet the needs of the world. A quotation from his speech as it appears in *Foreign Trade* is as follows:

> Although agricultural production throughout the world has regained pre-war levels, it has not kept up with the increasing population of the world. Supplies available on a per capita basis are therefore still below pre-war levels.

He also went on to say that:

> Monetary difficulties are threatening to prevent freedom of movement of foods and other necessary products from "surplus" to "deficit" areas. This might lead to a slackening of the productive effort in some countries and an increase in costs which might deny food to the people of other countries.

He goes on:

> Our monetary difficulties today threaten to reproduce the situation which existed twenty years ago, a lack of that free movement of food from those with food to spare to those in want.

And he continued:

> Unless some way can be found of solving this problem, we cannot hope for that "all-out" effort by exporting countries that is needed, if the people of the whole world are to be adequately fed.

Therefore I think all members will agree that, that being the situation, it would be an act of criminal folly on the part of any government to reduce production at a time when that production is so direly needed in other parts of the world.

The Minister of Agriculture has frankly admitted that this is a monetary problem. I think that the Canadian Federation of Agriculture and the International Federation of Agricultural Producers are to be warmly commended for the research work they have done in connection with this question, and the proposals that they have put forward for a commodity clearing house.

I attended the annual convention of the Canadian Federation of Agriculture held at

Niagara Falls last month, and was greatly struck by the unanimity reached by the delegates from both east and west in Canada on all problems coming before the convention. That has not always been the case. I think it augurs well today, when great problems are arising, to see that eastern and western farmers are able to work together in complete accord.

At that convention a speech was delivered by Professor J. K. Galbraith, professor of economics at Harvard university. He delivered a most thought-provoking speech on the subject of international trade and foreign markets. May I quote briefly from one part of his speech which struck me as being of special interest. He said:

> It is still our common faith that somehow we are going to work out of the present unbalance in international trade. To that I subscribe. It is our common illusion, however, unconscious but real, that in doing so we shall re-establish the flow of agricultural products, of food and foodstuffs, from this continent to Europe, through the ordinary channels of trade. That I doubt. Anyone who honestly examines the trend must reach an exactly opposite conclusion.

And then he goes on:

> First we must abandon the notion that 1952 is the day of decision in balancing the trade accounts. So long as it remains so, we must expect that the balance will be achieved largely at the expense of our agricultural exports. Western European countries need to be given assurance that we in this hemisphere will reciprocate their efforts with assistance. This does not necessarily mean a continuation of the Marshall plan in its present form or with some skilfully contrived pseudonym. It does mean an assurance that western Europe can purchase food and fibre from this hemisphere beyond 1952 and that help in doing so will be forthcoming if necessary. It was partly such an assurance that the proposed International Commodity Clearing House of the FAO was designed to offer.

I think it was a great tragedy that the conference of FAO turned down the proposal for the setting up of an international commodity clearing house. I wish to analyse briefly the reasons given by the conference for turning these proposals down. First of all, however, I should like to give a brief summary of the functions of this international commodity clearing house.

In June 1949 the International Federation of Agricultural Producers presented their proposals for the stabilization of prices and the distribution of surpluses of agricultural products to the council of FAO. These proposals embodied the idea of an international commodity clearing house. Then the director of FAO appointed a committee of six commodity experts to prepare a report on commodity problems for the FAO conference to be held in November of 1949. These experts proposed the setting up of an international commodity clearing house, and this was supported by the Canadian Federation of Agriculture, the International Federation of Agricultural Producers, and farm organizations throughout the United States. However, as I said, the FAO conference turned the proposal down.

Before discussing the reasons why this proposal was turned down I should like briefly to summarize the functions of this institution. I have made the summary from the IFAP *Bulletin* of October, 1949.

Functions of ICCH would include the following:

1. Subject to provisions outlined below the purchase of stocks of commodities that are in surplus in the country in which those stocks appear.
2. The negotiation of sales in inconvertible currencies in order to assist in maintaining the flow of trade during periods of exchange disequilibrium; such payments being guaranteed by the buying countries against losses from exchange depreciation.
3. The negotiation of sales at special prices below the market to countries in need, under strictly defined conditions of use, for example, for relief purposes, special nutritional programs, or for development projects.
4. As a long run function, the holding of stocks acquired in periods of surplus as reserves to protect the interests of consumers in periods of shortage.
5. The negotiation of bilateral or multilateral trading agreements, or exchanges of commodities on a barter basis.
6. The co-ordination of the negotiating and administration of international commodity agreements and arrangements pending final disposition of these functions by the economic and social council after the charter of ITO has entered into force.
7. The organization of consultations between governments and other institutions in respect of commodity policies, agreements and transactions, and in respect of the readjustment of the uses of land and other national resources in order to implement such policies, agreements and transactions, and to meet the changing structure of world demand and world supply.

It is clear from the report that the committee considers the long range functions of ICCH should be left to later experience but in the short run ICCH would use mainly two methods for constructive disposal of surpluses. Using wheat as an example ICCH would operate in the following ways:

(1) The exporting country would sell surplus wheat to ICCH at full market price and the purchases would be financed by the exporter contributing the value of the wheat to ICCH as additional capital. ICCH would then sell quantities of wheat to the importing country in addition to and not as a substitute for its usual purchases. ICCH would take in payment the currency of the importing country, even if it were, at the time, inconvertible. The importing country would guarantee against loss by currency devaluation. ICCH would hold this currency to the credit of the exporting country until enlarged trade or restored currency convertibility permitted clearing the account.

(2) The exporter would sell surplus wheat to ICCH at a reduced price if the payment were in an immediately acceptable (presumably convertible) currency and provided that the quantity of wheat went to some special use in addition to regular consumption by the importing country. Such transactions would be financed from the revolving fund of ICCH, established by the initially paid-in twenty per cent of capital, but would not normally involve any loss to ICCH.

The reasons given by the FAO conference for turning down those proposals are, to say the least, somewhat peculiar. I should like to summarize a few of them. In rejecting the short-term trading functions of the ICCH, the conference observed that the accumulation of inconvertible currency would represent additional indebtedness by the deficit countries involving the burden of eventual repayment in terms of additional exports of goods and services and would have the effect of delaying the general convertibility.

I would say that anyone reading that statement would be justified in doubting the sincerity of the people who wrote that paragraph. What is the purpose of these proposals? The purpose is to get surplus goods to the people who need them. Yet we are told here that this might delay convertibility and therefore the proposal should be turned down. I think it is quite obvious that that body confused the means with the end and the shadow with the substance.

We are often told that convertibility will facilitate the expansion of trade, but here we have a situation where surpluses are accumulating and a proposal is made whereby they can be got to people who need them but it is said that that might delay convertibility. I am satisfied that the people of the world are more interested in getting surplus goods to people who need them than they are in restoring convertibility. If we do not take steps by which these surplus goods can be got to the people who need them, what happens? Production will be reduced and we will not then have the goods available to meet the needs of the people. That, mind you, is suggested in the name of convertibility.

The next reason for rejecting the proposals was this:

> The expenditure of such accumulations on purchases in the soft-currency areas would, in the main, be for the purchase of commodities which would ordinarily earn hard currency.

The ICCH only proposes to sell goods that would not be sold through the ordinary channels of trade and therefore there could be no fear of the ICCH proposals interfering with the ordinary channels of trade. Goods going through the ordinary channels of trade as a result of the exchange of goods would continue to move in that way, but to the extent the exporting nation was not able to dispose of its exports the international commodity clearing house would provide a means by which those goods could be got to the people who needed them.

Then the conference suggested that the financial functions proposed for the ICCH could be performed by the governments directly involved. I was very much interested in the stand taken by the Minister of Agriculture (Mr. Gardiner). Here is a proposal by which we can get our surplus products to the country that needs them and the Minister of Agriculture says, We do not need that, we can do it ourselves. The government has now stated that they can get surplus goods to other nations, so there will be absolutely no excuse in the future for this government saying they are not able to sell our surplus production. They have turned down a suggestion that would have made it possible on the ground that they can do it without that suggestion. The farmers will be waiting to see the government take action in the immediate future to dispose of our surplus products. I hope we will not have any more talk about not being able to export our goods to other countries.

Then the conference decided to establish an FAO committee on commodity problems which would work under the supervision of and be responsible to the council. I do not think that that committee is going to be very enthusiastic. The committee of six experts drafted the ICCH proposals which were turned down because it was claimed they would interfere with the normal methods of financing international trade. All this committee will be able to do is to make proposals that will not interfere in any way with the recognized methods of financing international trade.

I think the most interesting statement made by the conference was in connection with financial facilities, and I quote:

> The conference called attention to the fact that although existing national economic development plans required international funds far in excess of those currently available, international financial institutions have not received a sufficient number of well-documented loan applications. The conference instructed the director-general of FAO to strengthen co-operation with the international bank for reconstruction and the international monetary fund and to propose specific arrangements with those organizations.

I think you have there the real reason why the conference turned down the proposal of the ICCH. It is quite evident that representatives of the international monetary fund and the international bank for reconstruction and development were at that conference and advised against the adoption of this proposal. Not only have the international monetary fund and the international bank for reconstruction failed, and failed miserably, to devise methods by which our international trade can be financed; but they are now blocking other measures that might take their place.

I noticed that when the Minister of Agriculture was speaking with reference to the Agricultural Prices Support Act he stated

that that act was no alternative to markets. I think everybody will agree with that and I think the farmers realize that only too well. But the farmers will remember also that the Minister of Agriculture has turned down a proposal which would have made it possible to export our surplus commodities to other countries on the ground that the government can do what this international commodity clearing house would do. The farmers will feel that the obtaining of markets is a responsibility of the federal government and the Minister of Agriculture need not make any excuse in the future that the federal government is not able to dispose of farm surpluses. I was interested in a report appearing in the press as to a statement by the Minister of Agriculture (Mr. Gardiner). The heading of the article is:

Gardiner charges some people making food distribution difficult.

The article reads:

He said some people are making it difficult to move these surpluses to the areas where they can be consumed.

Then the press dispatch goes on:

Mr. Gardiner did not identify these persons. However, it appeared to be a reference to the Canadian proposal for establishment of an international commodity clearing house, turned down by the United Nations food and agricultural organization.

Obviously the press statement is wrong because Mr. Gardiner was one of those who opposed an international commodity clearing house. I think the house has the right to expect the Minister of Agriculture to tell it who these individuals are who are making it hard for Canada to dispose of its surplus products to nations that need them. I have a pretty good idea who they may be because I recall that, when he spoke before the Canadian chamber of commerce in London in December, 1948, he blamed our troubles on a bunch of what he called financial crackpots who call themselves economists. He still did not name them but we know very well who the men are who control our international financial policy. They are largely the men who control the international monetary fund, the international bank for reconstruction, institutions for which Mr. Gardiner himself voted in 1945.

In conclusion, Mr. Speaker, I would say this. When people ask who is to blame for Canada not being able to dispose of her agricultural products, let us place that blame where it fairly belongs, fairly and squarely upon the shoulders of this government, because up to the present time they have insisted upon policies which make it impossible for the sterling area to buy from us, by insisting that they must pay us in dollars instead of our being willing to accept payment in goods.

Mr. Studer: Mr. Speaker, in view of the lateness of the hour and the fact that many members would like to listen to the interesting news on the radio this evening, I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): As understood, tomorrow we will take up as the first item the bill to amend the Unemployment Insurance Act, and then we will continue with the debate on the address in reply to the speech from the throne.

On motion of Mr. Fournier (Hull) the house adjourned at 10.45 p.m.

HOUSE OF COMMONS

Friday, February 24, 1950

The house met at three o'clock.

CURLING

DOMINION COMPETITION IN QUEBEC CITY—VICTORY OF REGINA TEAM

Mr. E. A. McCusker (Regina City): Mr. Speaker, on a question of privilege, I should like to call the attention of hon. members to the fact that sitting in the gallery today are six young curling teams, four from the western provinces of Canada, and two from Ontario. They have been taking part in the dominion competition in Quebec city for the Sifton trophy, emblematic of the championship of school curling in Canada. They tell me that they have had a wonderful time there, and much has been done to cement the entente cordiale.

I am also pleased to announce that the team from my home city, the Scott collegiate institute team, was successful. That in itself is not important. The important thing is that today throughout Canada there are thousands of young boys and girls learning this game, which teaches people to lose gracefully and win graciously.

FEDERAL DISTRICT COMMISSION

TABLING OF FIFTIETH ANNUAL REPORT

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table the fiftieth annual report of the federal district commission, in English. I am sorry that the French version is not ready. It is in the hands of the translators, and will be tabled as soon as it can be prepared.

COMBINES INVESTIGATION ACT

ANNOUNCEMENT OF APPOINTMENT OF COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to announce the appointment of Mr. Thomas D. MacDonald, K.C., as commissioner under the Combines Investigation Act. Mr. MacDonald graduated from Dalhousie university in arts in 1931, in law in 1933, and immediately entered the department of the attorney general of Nova Scotia. In seven years he had risen to become the head of the department as deputy attorney general in 1940, and except for a period of war service he occupied that position continuously until 1949, when, in April, he resigned to accept a position with the federal Department of Justice, as superintendent of bankruptcy, and also as counsel. In that post he served until he accepted the present position.

MAIN ESTIMATES, 1950-51

EXPLANATORY STATEMENT OF THE MINISTER OF FINANCE

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1951, was presented by Hon. Douglas Abbott (Minister of Finance) and read by Mr. Speaker to the house.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, it has been the practice in previous years to table the estimates and move that they be referred to the committee of supply without any explanatory statement in this house. My predecessor as minister and I have usually sent a brief explanatory statement to the press immediately after tabling the estimates. This year, in response to various suggestions, I propose to make a brief explanatory statement to the house itself when presenting the estimates.

It will be observed that the total of the estimates being proposed for the new fiscal year commencing April 1 is $2,308 million. This includes those items for which continuing statutory authority for the expenditure is already available—a total of $1,011 million—as well as the 560 votes for expenditure which we are putting before this house for its approval, and which add up to $1,297 million. In addition, we are proposing votes for loans and investments which will create active assets and which total $105 million. These are, of course, not included in the expenditure totals.

First, I wish to indicate how these figures compare with those for the current fiscal year now drawing to its close in March. As usual, we have shown throughout the estimates the comparable figures for the votes already passed by the house this past year, including supplementary estimates made to date, and the forecasts of statutory expenditure placed before the house with the estimates last year. These add up to $2,335 million—which is about $27 million more than the estimates now presented for the new year.

It is difficult to determine what past figures make a satisfactory comparison with those

for the main estimates this year. The figures I have cited for last year—$2,335 million—include, of course, the special estimates to cover the extension of our services to Newfoundland and the supplementary estimates presented last fall to cover developments in programs and policies subsequent to the main estimates a year ago. They do not include, however, the further and final supplementary estimates to be brought in next month at the close of the fiscal year, to cover such things, for example, as the 1949 deficit of Canadian National Railways and Trans-Canada Air Lines—and these, of course, are not covered in the main estimates now being tabled. We have endeavoured to include in the main estimates this year many expenditures of a type that were covered in the supplementary estimates last year, and on this basis the comparison of the figures given is an appropriate one. However, there are bound to be some supplementary estimates this year; there are almost certainly going to be deficits incurred by the C.N.R. and T.C.A. to be covered at the end of the next year, and I would expect to make some provision in our accounts for our reserves against active assets, as we have done in recent years. Expenditures on these heads then will be additional to those provided for in these estimates. I not only hope but I expect that our supplementary estimates this year will be less than the total of $63 million brought in last fall—considerably less—unless we are confronted with a serious worsening in the economic situation or the international situation.

For those who wish to compare these main estimates for next year with the main estimates for the current year, I should mention that the latter were $2,217 million, to which should be added the estimates for the extension of services to Newfoundland, which were $55 million, making a total of $2,272 million.

As usual we may expect some short-fall in expenditure below the amount of the votes requested in the estimates, and this has frequently offset to a large extent the expenditure under supplementary estimates. There will be some such short-fall in the next fiscal year, but I would expect it to be less than in recent years, because I believe we have been able this year to forecast our requirements more accurately than in the last few years.

I shall not endeavour to comment upon the amounts provided for various purposes or departments, but there are two or three points to which I think I should draw attention.

It will be noted that the biggest increase shown for any department is for that of health and welfare and this despite a change in the form of the provision for the health grants that takes account of probable total expenditures on all of them together, rather than voting the outside limit for each one separately. The big increase represents mainly increased payments for family allowances and old age pensions over those that had been authorized last year when the estimates were tabled; the increase results both from the legislation last year and from the growth of the population receiving the payments.

The next largest increase, and the one that is the major development of policy reflected in these estimates, is the $42 million increase provided for defence—raising the defence expenditures from $383 million this current year to an estimate of $425 million next year. This, of course, reflects the government's decisions as to what forces, equipment, and activities are now necessary for defence in the light of the international situation and our position in the North Atlantic alliance. This total for defence will include now substantial payments for new aircraft, ships, radar equipment, and weapons of various kinds, as well as the construction of buildings and bases to replace or supplement those left from the war. To provide this increase for defence and that for health and welfare within what the government has regarded as a reasonable total of expenditure has involved a severe scrutiny of all other expenditures and the elimination of all that appeared of doubtful necessity at this time.

In approving the programs for the various departments' expenditures, the treasury board have had in mind the general economic situation in the maritime provinces and the coastal areas of Quebec, and the government's desire to promote the economic development of this general region, which has encountered greater economic difficulties than the other major regions of the country.

It will be noted that the form of the estimates for the Department of Public Works differs from that which has been used in previous years, the detailed projects to which approval is given in the votes being listed in the detailed appendix to the estimates. This makes it possible to estimate more closely actual requirements for these large groups of projects, and to make some allowance for the inevitable delays and difficulties that arise in securing sites and contractors as well as skilled labour and materials. The total votes requested for this department are less than those requested last year, but they are very much greater than the total expenditures that we expect will be made by the department this year. The new form of estimate, and the improved supply position, should permit total expenditure to approach much more closely to

the estimates in the new year than in the current year; consequently I expect a substantial increase in the actual over-all expenditures of the Department of Public Works.

In regard to the construction work generally, there is provision in the estimates as a whole, including the grants to provinces for the trans-Canada highway and for hospital construction, for expenditures on construction projects of one kind or another, amounting to a total of about $210 million, which is just about equal to the amounts provided in the main and supplementary estimates this current year. For the reasons I have mentioned in connection with the Public Works Department, we expect actual expenditure on construction in the new year to be quite considerably above that in the current year—that is, very much closer to the amount actually provided for by parliamentary appropriation. In addition to these expenditures proper, the loans and investment votes of $105 million this year consist almost entirely of construction or building items of one kind or another, including the housing program of the Central Mortgage and Housing Corporation and the Veterans Land Act. This loan provision for construction is about the same as that made for this current year. The dominion-provincial housing program will be in addition, and the initial financial requirements for it are already available under the National Housing Act as soon as the provinces are ready to proceed.

In general, our expenditures in the year now closing include substantial items of a financial character, such as the assumption of the Newfoundland debt. It is clear that in the estimates for next year there is less for purely financial settlements and more for job-creating expenditures.

This year, unlike last year and recent previous years, we have not considered it necessary to make any substantial allowance in the estimates for a further general increase in the level of prices and costs, although some particular increases here and there have been anticipated. There are increases in many individual votes this year, reflecting the increases in salaries and wages that took place a year ago and which were provided for in large part in the general salaries vote for the current year. There are also some increases reflecting substantial policy decisions already announced, such as the subsidies for overseas shipping and other increases reflecting the carrying forward of policies of national development, such as expenditures on research, surveys, and the fisheries program. On the other hand, we find this year quite considerable decreases in a number of departments, due to the termination or tapering off of temporary post-war activities, or for other reasons that will be clear when the details are examined or discussed.

I am glad to be able to note that the estimates for my own department show a large decrease, due in considerable part to reduction in interest charges on the national debt, to the provision of a substantial part now of the tax rental payments to the provinces out of the 5 per cent corporate income taxes they are now imposing, and to the dropping of various other temporary requirements in last year's votes that are no longer needed.

In accordance with a suggestion made in the committee of supply last year, I have arranged to have the details of the estimates this year show the number of temporary employees under each vote, though it has not proven practicable to show the number of casual employees, which fluctuates considerably during the year and does not really constitute part of the basic establishment. I hope next year it may be possible to show the distribution of temporary employees by classes or groups of classes, as we do for permanent employees now. Time did not permit us to do that this year.

You may recall, sir, that last session, when we were discussing interim supply, I agreed to give some study to measures that might be taken to facilitate the consideration of estimates in parliament. The first results of that have been the present action in bringing the estimates to the house earlier in the session than has been usual. The government has already indicated its readiness to have the most general vote for each department called at a fairly early day in the session in order that there may be discussion of matters concerning each department before the end of the session approaches. This arrangement should facilitate debate in the committee of supply on general questions or particular points of special concern. I am studying other possible arrangements to facilitate an orderly and detailed consideration of the financial and administrative aspects of the estimates.

I move:

That the message of His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Mr. Gordon Graydon (Peel): May I be permitted to make a suggestion which I hope will find some favour in connection with consideration of the estimates? It is not a new suggestion, and I hope the government, having considered the matter from previous sessions, will be agreeable to following it, at any rate to some extent.

Main Estimates

In the past we have been pursuing a rather irregular course in connection with the estimates. Some departments are brought in day after day, while other departments are not touched until the last. My suggestion is that this session we try to find an orderly way of dealing with the estimates so that they may all be covered on something like an equal basis.

I am going to suggest to the Prime Minister that the house devote one day a week to estimates, and that each week the estimates of a new department be introduced. Having in mind the normal length of a session, we would reach the later part of the session with all departments dealt with although they might not be completed.

I think this would meet public desire, because no one could then say that parliament had not given all the estimates fair consideration as they went through. Of course toward the end of the session a number of matters would still require to be examined; nevertheless the examination of estimates would be spread over the entire field, something which, to the knowledge of all of us, has not been done for the past number of sessions.

I make this suggestion in perfectly good faith, in the hope that we may be able to establish a custom and practice in the House of Commons that not only will meet public favour but will prove of great convenience to the government and to parliament in general.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on the very day of the opening of parliament, dealing with the motion for the consideration of the address in reply to the speech from the throne, I declared that that suggestion had been made and had been considered, and that it would be our endeavour to try it out. It was for the purpose of getting into a position to do that that the motion was presented in the form in which it was.

We shall be most happy to attempt to get the co-operation of groups in the house to carry out that procedure, namely, the calling one day in each week of a department that has not previously been called, so that on the item covering administration there can be general discussion of the affairs of that department. I hope we shall get the co-operation of the various groups to the extent of not having the whole of that day spent in discussing the motion to go into supply.

Mr. Graydon: That will depend upon the government's removing the grievances.

Motion agreed to.

[Mr. Graydon.]

UNEMPLOYMENT INSURANCE

EXTENSION OF COVERAGE IN THE LUMBERING AND LOGGING INDUSTRY

Hon. Paul Martin (Acting Minister of Labour): Mr. Speaker, I beg leave to table, for the Minister of Labour (Mr. Mitchell), P.C. 474. In connection with this order in council I wish to announce that the government is making an extension of unemployment insurance coverage in the lumbering and logging industry. With this important step about 75,000 workers in industry will receive the protection of unemployment insurance.

It will be recalled that the exclusion of lumbering and logging in the 1940 act was due mainly to the difficulty of administration. The chief difficulties were:

(1) the seasonality of the industry in most parts of Canada except on the west coast;
(2) the inaccessible location of some of the operations;
(3) the high turnover of employees;
(4) the large amount of subcontracting, and
(5) the large number of farmers, fishermen and other non-insured persons who work in logging camps for very short periods.

Initially attention was directed towards the establishment of the over-all insurance scheme, and later, after experience had been gained from the operation of that program, questions of extending the coverage to some of the excepted occupations received consideration in the light of newly-gained experience.

Both the unemployment insurance commission and the unemployment insurance advisory committee have for several years given a great deal of study to the advisability of and ways and means of extending coverage to this industry.

In 1946 employees in lumbering and logging in the province of British Columbia were brought under insurable employment. The government insured lumbering and logging in British Columbia because in that province it is an all-year-round industry, whereas in other parts of Canada the seasonal factor is important. Further, it was considered that it would be useful to gain some experience in one area in Canada before extending coverage to other areas.

Since this time the advisory committee and the commission have reviewed the question of further extensions, and the commission has held public hearings. Every effort has

been made to obtain workable provision for the coverage of those employees in the industry who require protection.

As a result of full investigation of the many phases of the industry it has been decided that seasonal regulations under the Unemployment Insurance Act will apply to the industry except in British Columbia, where of course they are now in an insurable state.

This means those people whose only insurable employment is in lumbering and logging can draw benefits only during the logging season. In the prairies this season is for the time being regarded as from November 1 to April 15, and in eastern Canada, from November 1 to March 31. However, people who are employed in lumbering and logging during part of the year and in other insurable employments during the remainder of the year, even to a limited extent, are not affected by the seasonal regulations, which are designed to exclude from benefit in the off-season only those whose employment is seasonal.

Provision has also been made for the voluntary exclusion from coverage of farmers, hunters, fishermen, and others whose main employment is not insurable when these persons do not expect to work in lumbering and logging for more than sixty days in any year. It would be unfair to take unemployment contributions from persons who would be unable to obtain sufficient contributions to qualify for benefit. Accordingly this exclusion is voluntary to allow flexibility that might be needed in certain cases but in the main only affects those whose contributions from their work in this industry would not be sufficient to give them benefits under the act.

Up to the present time certain planing mills and saw mills which work only part of the year have been excluded. These saw mills will also be brought under insurance coverage.

April 1 has been set as the date of commencement of these new provisions, because it is thought to be the most suitable date to begin contribution collections. It comes at a time when employers in the industry will not be in the position of having to apply the regulations to their employees when their payroll staff is overloaded with work. Since insurance books are renewed each year on April 1, it will be an advantage to issue books for the new insurance year 1950-51 rather than to issue books at an earlier date for the current fiscal year, which would have to be renewed shortly afterwards.

These coverage provisions have been carefully adapted to the particular needs of the industry. As I mentioned yesterday in this house, our seasonal trends are, because of our climatic conditions, more pronounced than in other countries, and we believe we should shape our insurance scheme as far as practicable to take these conditions into account. This extension of insurance coverage to lumbering and logging in parts of Canada where the industry is highly seasonal will bring to these workers the protection they need and deserve against the hazards of unemployment. The broadening of coverage under this measure is another important advance in the development of a more comprehensive insurance program as a first line of defence for workers and their families against unemployment.

Mr. Fleming: I should like to ask the minister a question arising out of his statement. Has any decision been reached as to the inclusion of hospital workers?

Mr. Martin: I have already answered that question. The hon. member will find it was answered last night.

Mr. Cruickshank: I should like to ask the Acting Minister of Labour a question arising out of the remarks he has just made. Is he not aware of the fact that three members from British Columbia forced the government to bring loggers and lumbermen under the unemployment insurance provisions?

Mr. Martin: Much as I respect the hon. member and his colleagues from British Columbia, I must say the fact is that the government was not at all forced into the situation as my hon. friend indicates. The government examined the question, and has done so over the years in the light of what it regarded as practicable. While the hon. member and others may have helped, it would be wholly inaccurate to suggest that his actions, or the actions of any other persons, forced the government into the action it has taken.

Some hon. Members: Hear, hear.

Mr. Cruickshank: That does not bother me at all, Mr. Speaker. If the minister will read *Hansard* for the day the measure was introduced, when he was a very junior member, as I was, he will find that there were only three members who took the stand I did.

EXTERNAL AFFAIRS

REQUESTS FOR APPOINTMENT OF TRADE REPRESENTATIVES

On the orders of the day:

Mr. Gordon Graydon (Peel): In the absence of the Minister of Trade and Commerce I

should like to direct a question to the Prime Minister. It is based on a reported statement of the Secretary of State for External Affairs on his return from the commonwealth meeting in Ceylon. Has Canada received any requests, officially or unofficially, from other countries for the appointment of Canadian trade representatives? If so, when were such requests made, and from what countries did they come?

Right Hon. L. S. St. Laurent (Prime Minister): As the question refers to a statement reported to have been made by the Secretary of State for External Affairs, I hope the hon. member will not mind receiving the answer from him. I understand he is ready to make it.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the statement to which the hon. member for Peel (Mr. Graydon) has referred as having been made by me is apparently one that appeared in the press last week, in which I am quoted as saying, in respect of our visit to the Far East:

> We found very great friendship and admiration for Canada and a general desire to increase trade and economic contacts with this country.

After the quotation of what I had said there followed this paragraph, which is presumably a condensed report of something else I am supposed to have said. It reads:

> There were requests from several countries for Canadian trade representatives.

I have looked up the record of this particular conference. I said at that time that members of the governments of certain countries in that area where we are not now officially represented had expressed the desire that we establish such representation, diplomatic or trade or both, as soon as we found it possible.

In answer to the second part of the hon. member's question as to where such requests came from, I think it would be a little embarrassing if I mentioned in public the names of the countries, because it would possibly give the impression that they are more anxious to receive Canadian representation than we are to receive representation from those countries. The attitude I took in reply, Mr. Speaker, was that we are of course anxious to extend our trade and diplomatic representation in all countries where it is in the interest of Canada to do so, but that the extension of the diplomatic and trade services has to be governed by financial and other considerations.

UNEMPLOYMENT INSURANCE

SUPPLEMENTARY BENEFITS DURING WINTER SEASON—VARIOUS AMENDMENTS

Hon. Paul Martin (for the Minister of Labour) moved the second reading of Bill No. 8, to amend the Unemployment Insurance Act, 1940.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I intend to make a few observations on the motion for second reading, though most matters were dealt with yesterday in the discussion of the resolution.

Before beginning my general remarks in this connection I feel that mention should be made of the general regret on the part of all hon. members, irrespective of where they sit in this house, at the fact that the Minister of Labour (Mr. Mitchell) is indisposed and unable himself to move second reading. If there is one member or minister in this house who enjoys the friendship of all—and after all, that is the way it should be in parliament—it is the Minister of Labour. We all trust that very shortly he will be back in the house discharging his responsibilities.

Mr. St. Laurent: It will interest the hon. member if I say that yesterday I received an encouraging letter from the Minister of Labour. I hope, as my hon. friend does, that within a very short time the minister will return to the house in his usual good health.

Mr. Diefenbaker: And saying things, as he always does, in so kindly a manner.

It was only about half an hour ago, Mr. Speaker, that my hon. friend the acting leader of the opposition (Mr. Graydon) asked me to say a few words on the question of unemployment insurance. In the interval I looked up the representations and recommendations made by the Sirois commission, as well as those made by the dominion government to the dominion-provincial conference of 1945. When one reads those recommendations it is difficult to understand what happened to them; for the extent to which they have been adopted is so infinitesimal, as compared with what was sought by those representations, that it seems beyond comprehension that there should have been any controversy at all in the matter.

The Sirois commission recommended that the dominion should be responsible for the employable unemployed. The bill now before us, as was said yesterday, effective though it may be as far as it goes, omits so many things, having regard to present conditions, that in the opinion of the opposition it is most inadequate to meet the unemployment situation of today. I go back to 1945; I am going

to read a few of the recommendations made at that time by members of the government, with a view to offering certain suggestions with respect to further amendments to the Unemployment Insurance Act. As I see it, on this motion for second reading not only are we discussing the general principle of the bill; we are also discussing the situation facing this country today, the whole matter of unemployment.

At page 6 of the report of proceedings of the 1945 conference, the then prime minister said:

> We are convinced that the people of Canada expect governments—all governments—to accept responsibility for creating conditions which will ensure high and stable employment. To create such conditions, we believe it should be made possible, through reduction and simplification of taxes, and in other ways, for private enterprise to operate boldly and courageously.

I pause here to say that at that time the then prime minister particularly mentioned that in order to encourage employment it was necessary to reduce taxation. Then he went on to say:

> We believe the state—and by the state, may I say again, I mean provinces as well as dominion—should design programs of public development and conservation which can be readily expanded or contracted to help in balancing the rise and fall of other sources of employment.

I point this out because, as was suggested yesterday, I feel that many unemployed people in this dominion will not be covered by the Unemployment Insurance Act as it now stands, or even with these suggested amendments. There are many excepted employments; there are many casual workers. But if they be unemployed, no matter what their classification, they demand and deserve help at this time. I referred to public works. The present Prime Minister (Mr. St. Laurent) did so as well at pages 55 to 60 of the proceedings, when he said:

> The purpose should not be to find a "cure-all" for unemployment in huge expenditures on public works. Rather, the problem is one of devising a sound and consistent program of public improvements—

Mr. Martin: I do not like to interrupt my hon. friend, because I know he is approaching his task in all seriousness; but on a point of order I think we must have it clearly understood that what we have before us now is a bill to provide supplementary relief and to make certain amendments to the Unemployment Insurance Act. Having in mind the stated purpose of that act, it would seem to me, Mr. Speaker, with great respect, that to discuss such matters as public works programs and ways and means of relieving unemployment—not that these are not appropriate matters for discussion—is to go outside the scope of this bill.

Mr. Diefenbaker: All or at least some of these recommendations were made at the dominion-provincial conference of 1945. At that time it was suggested that the question of unemployment should be faced in a certain way. In a moment I am coming to what the Minister of Labour had to say on that occasion. He provided for alternatives first in the Unemployment Insurance Act, and then in provision for those who are employable but are unemployed. He asserted that they were the responsibility of the federal authority. Finally the minister made certain suggestions as to increasing the ambit of the Unemployment Insurance Act.

What I am doing is discussing the principle at issue here. As the member has said, the purpose of the measure now proposed is to meet the situation prevailing today. We in the opposition say that, as far as it goes, it will meet part of the situation, but it cannot provide for the more than 100,000 unemployed who do not come within the ambit of the Unemployment Insurance Act. It is for this reason, sir, that I am discussing the recommendations of 1945. I trust that I may be permitted to continue, even though a reading of the promises made by the members of the government in 1945 indicates that many of those promises have fallen into the limbo of things forgotten and unperformed. I await your ruling, sir.

Mr. Speaker: It is rather difficult to determine just what is the principle of the amending bill before the house. I do feel, however, that it has to do with the bringing of additional workers within the provisions of the present act, known as the Unemployment Insurance Act, 1940. I do not see any provisions in the bill which provide for creating employment.

Mr. Graydon: That is the trouble with it.

Mr. Speaker: That may or may not be the trouble with it; I am not giving an opinion on that. This bill, however, is not one for creating employment, as I see it; nor does it deal with questions which create employment. It deals rather with making the act wider in its application, so that persons may be brought within its provisions who do not now come under it. I hope that hon. members will now confine their remarks to the issue.

Mr. Diefenbaker: Mr. Speaker, bowing to your ruling, I would point out to the house

that a portion of this bill in no way deals with unemployment insurance. In fact it deals with what is called unemployment assistance, which is quite a different thing from unemployment insurance, as was pointed out at the dominion-provincial conference of 1945. Supplementary benefits, under sections 87A and following, are not related to unemployment insurance; they are an alternative to unemployment insurance.

What I was trying to suggest, and I shall not pursue it, was that supplementary benefits, rather than meeting the situation in this country, will merely reach a few who are covered thereby. There will still remain a large area of unemployment about which nothing is being done, either under the Unemployment Insurance Act or under the provision which deals with supplementary benefits.

In 1945 the Minister of Labour made his proposals, and they are of interest today. These were the proposals of the dominion government, and in some parts they are as well forgotten as were those other proposals for social security in connection with old age pensions.

The minister said:

> Over the past seven or eight years there have been recommendations by the national employment commission, the Sirois commission and others, that the dominion should assume responsibility for necessary relief to the employable unemployed. It has been generally suggested that the dominion should accept this obligation as part of any general settlement with the provinces.

Then he goes on to say this:

> The dominion government would accept responsibility for ensuring that there shall be provided a reasonable minimum payment for the maintenance of employable unemployed persons through
>
> (a) the extension as rapidly as possible of unemployment insurance to cover all employees.

I point out, sir, that those suggestions were made almost five years ago, and since that time there have been few additions to those who come within the terms of the act. A reference was made today to the inclusion of people who are employed in lumbering and logging. There still remain many other excepted employments which, under the terms of this bill, will not receive anything.

Then the Minister of Labour said:

> In the period when such extension is being carried out and before insurance benefits properly so-called can be built up, by instituting a system of unemployment assistance to be administered in close co-operation with the unemployment insurance commission.

This is, in fact, what we have here—unemployment assistance. It is called by a different name—supplementary benefits. How far the government has departed from these promises of 1945! With regard to unemployment assistance, which is just another form for the supplementary benefits, the minister said that as part of the government's promises to the provinces, in addition to unemployment insurance—I emphasize those words, "in addition to"—the dominion will set up a system of unemployment assistance under which it will pay benefits equal to eighty-five per cent of the unemployment insurance benefits to unemployed persons able and willing to work who are not entitled or have ceased to be entitled to unemployment insurance benefits. Why has that not been carried out? Why is it now reduced to eighty per cent?

Mr. Martin: I do not like to rise again, but my hon. friend is continuing to talk about unemployment assistance, which does not involve the principle of insurance. If I sit in my seat and say nothing, in spite of your ruling, sir, I shall be admitting the relevancy of what the hon. gentleman is saying. All this should be said on another occasion. I do not think this is the moment to enter upon a discussion of that problem. We are dealing with an amendment to the Unemployment Insurance Act, and I submit we should adhere to the ruling.

Mr. Knowles: On the point of order, I believe Your Honour was correct in the previous ruling to the effect that, in debating this bill, we should debate unemployment insurance and not the methods of providing employment. I believe I am correctly stating what Your Honour ruled. Since that ruling was made, the member for Lake Centre (Mr. Diefenbaker) has adhered to it. He has not been talking about a means of providing employment; he has been talking about proposed changes in the Unemployment Insurance Act. I say that as long as we stay within that sphere of discussion of the Unemployment Insurance Act, we should be in order.

Mr. Martin: If we do that.

Mr. Diefenbaker: Apparently my hon. friend has not read this.

Mr. Martin: I have been accused of writing some of it.

Mr. Diefenbaker: I am reading from the dominion-provincial submissions, page 387, a summary of dominion proposals. I can understand my hon. friend's diffidence about hearing a matter such as this discussed, but I am pointing out that it is the same thing as is now brought in under another name, with the exception that the government has not carried out the promise it made in 1945 to provide for eighty-five per cent of the expenditures in connection with these assistance grants.

I submit, sir, that I am in order. If we cannot discuss this matter under unemployment insurance, when the government itself placed

it under that in 1945, then my hon. friend is simply endeavouring to throttle discussion of this matter which is so important to the people as a whole.

Mr. Speaker: From what the minister said I did not gather that he was endeavouring to throttle discussion. He was bringing to my attention the fact that this bill deals with unemployment insurance, and not with benefits which are being paid to people who are unemployed. I gather from the act that this bill deals with persons who have been employed and have been entitled to benefits. Further assistance is being given to them if they previously came within the provisions of the act. As I said this is quite a long bill. I do not like to be too technical, but I would point out that in dealing with these amendments we are not dealing with the whole Unemployment Insurance Act; we are dealing with certain phases of the act which are being amended.

I would ask hon. members to endeavour to keep their remarks within the confines of the amendments which are now before the house.

Mr. MacInnis: Mr. Speaker, may I say a word on the point of order?—because I think we may have to have a decision on it before this matter of debate is finally settled. The only way to understand what we are talking about is to know what the item on the order paper says. Item No. 5 on the order paper reads:

> Second reading of Bill No. 8, an act to amend the Unemployment Insurance Act, 1940.

I maintain that the whole Unemployment Insurance Act, 1940, is open for debate. If the minister did not want a full debate he should have taken the precaution to limit the debate by having the title read something like this: "An act to amend the Unemployment Insurance Act, 1940, extension of benefits." If this had been the title of the bill, we would have been limited to a discussion of extension of benefits; but this is a general revision of the Unemployment Insurance Act, and I am going to have something to say on that when my turn comes. We cannot limit discussion on this bill until we get a new title for it.

Beauchesne's Parliamentary Rules and Forms, second edition, citation 753, reads:

> The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure.

There is a great variety of principles involved in the measure that is now before us; consequently other amendments can be moved to the Unemployment Insurance Act. Therefore the whole act is now before us.

Mr. Graydon: May I suggest that this is a bill for insurance against unemployment? If the house is not going to be allowed to discuss unemployment in all its phases, how can it properly be asked to discuss insurance against unemployment? There is no place that I can see in our whole sessional set-up that lends itself more properly to discussion of unemployment, and all the factors that enter into it, than the very bill that we have before us. Surely when we are trying to establish an act for insurance against unemployment, that is the time to discuss unemployment itself. If we cannot do it on this bill, the government might as well say that they are going to close the books on the whole question of unemployment so far as the Commons is concerned. They have closed their eyes up to the present time, and now they are going to close the books.

Mr. Green: With great respect, may I point out that I think Your Honour was in error in stating that this bill covered only those employees who have already established entitlement to insurance. That may be true of groups 1 and 2; but if Your Honour will refer to section 20 of the bill you will find in new section 87B that classes 3 and 4 consist of employees who have never had entitlement to insurance. I think that that should make a material difference in the ruling made by Your Honour. It certainly is perfectly obvious that the amendment is not confined to persons who have been entitled to insurance.

Mr. Browne (St. John's West): I should like to direct the minister's attention to the promise he gave yesterday that he would permit a good deal of latitude if we adopted the resolution. However, sir, some enlightenment may be gathered by looking back at the resolution, which dealt with more than merely special supplementary benefits. The resolution reads:

> To provide for supplementary benefits during the winter season in any year and government financial contribution in consequence thereof, for additional insurance coverage, for readjustment and simplification of rates of contribution, and for consequential amendments; to provide also for an increase in the membership of the unemployment insurance advisory committee from six to eight members; and to provide further that the members of the national employment committee shall receive the same remuneration as the members of the unemployment insurance advisory committee.

Bearing in mind the great importance of this subject not only to hon. members but to the hundreds of thousands of people throughout the country, I feel that the minister should now reconsider the suggestion he made to Your Honour and permit the latitude that he promised yesterday.

Mr. Knowles: For Your Honour's consideration may I also suggest you note that the

amending bill proposes changes in the rates of premium that workers are to pay; it proposes changes in the rates of benefits the workers are to receive; it proposes changes in the statutory conditions under which workers receive those benefits; it proposes changes in the rules of evidence before the courts—

Mr Fournier (Hull): That is not a point of order. The hon. member is making a speech. Why not wait?

Mr. Knowles: It is a point of order, because you are questioning whether or not it opens up the whole act. In addition to all these changes, and others that I shall point out in my speech that the Minister of Public Works is talking about, there is a whole new section with regard to supplemental benefits. Actually it is a rewriting of the whole Unemployment Insurance Act. While I stand by my concurrence in Your Honour's ruling that in this debate we have to stick to unemployment insurance, still I submit that Your Honour should recognize that this is practically a whole new Unemployment Insurance Act, and that the whole Unemployment Insurance Act should be up for discussion.

Mr. Speaker: I am not entirely in accord with what was said by the hon. member for Vancouver East (Mr. MacInnis) with regard to this bill permitting a general discussion of the Unemployment Insurance Act. I do not think that merely because a few words are added or omitted in the title of a bill, that would permit or prevent a general discussion. I am inclined to the view that discussion should relate to the principle of the amending bill, irrespective of the title.

The hon. member for Vancouver-Quadra (Mr. Green) drew my attention to clause 87B. I notice in that clause there is added a class who work in lumbering and logging for at least ninety days in any period of twelve months falling within the year and a half prior to a claim being made. That probably does bring in workers who had never formerly been covered by the act. But they had been employed in a specific industry.

I believe I have made my position clear. The minister did say, and intimated again a moment ago, I gathered, that he does not wish to be too technical. So far as I am concerned, however, I do not think the terms of this bill are wide enough to permit a discussion of the whole question of unemployment. This bill refers, not to methods of providing employment, but to unemployment insurance.

Mr. Diefenbaker: Mr. Speaker, if I understand your direction aright, I am permitted to discuss the question from the point of view of the 1945 representations made by the government of Canada to the provinces in regard to the question of unemployment insurance, or unemployment assistance.

Mr. Martin: The first is right, but not to unemployment assistance, unless it is on an insurance basis.

Mr. Diefenbaker: Oh, Mr. Speaker, it was all together in 1945, and it is all together now.

Mr. Martin: No.

Mr. Diefenbaker: All the government have done is this: they have changed the name from unemployment assistance to supplementary benefits. Your Honour will have noticed how anxious the minister was to raise this question. Apparently in this way they would endeavour to delude us into believing that they have not departed from the promises they made to the provinces in 1945.

I point out that these were the representations made regarding unemployment insurance and employable unemployed by the Minister of Labour to the premiers and representatives of the different provinces. He made this suggestion:

> As rapidly as possible the Unemployment Insurance Act will be widened to embrace all employed persons.

The question necessarily arises now, after five years: Why is it that there are so many excepted classes of persons today who are being passed by in the matter of assistance?

The minister went on to say this:

> As already stated the objective would be to bring into insurance in a relatively short time the whole employed population; when this had been accomplished the only employees who might require assistance, in contrast to insurance, would be those who had exhausted their insurance benefits or failed to qualify.

Those are the same people today who come within the provisions of the supplementary benefits. Then he went on to say:

> By that time experience with the extended insurance scheme would enable a decision to be made whether to extend the duration of benefits and shorten the period of qualification for insurance.

The question naturally arises here: Why should not the period of qualification be reduced? Mention has been made of the hundreds of millions of dollars amassed as a result of the contributions. A period of five years has gone by now and experience has shown that the period of qualification should indeed be reduced.

Having pointed out what should be done with those who had exhausted their unemployment insurance benefits, the minister said this:

> In the case of an insured person who has exhausted insurance benefits, or who lacks the full qualification for insurance benefits, the scale of

assistance would be approximately eighty-five per cent of the insurance benefit to which such person's contribution class previously entitled him or would in due course entitle him.

I ask the minister this question: Why has there been this change from the eighty-five per cent, the promise made in 1945, to the eighty per cent of today? Why has there been this material change?

In 1945 the Minister of Labour undertook as follows:

Payments for unemployment assistance would be made under authority of an appropriation for this purpose, out of the consolidated revenue fund, and not out of the unemployment insurance fund.

Today the new scheme is this—a complete departure from that of 1945.

An hon. Member: Shame.

Mr. Diefenbaker: Today the scheme is that the provision be made for contributions on the part of workers, and in addition to that, in the other provisions, for increasing the ambit of qualifications in the salary limit from $3,120 to $4,800. What the minister is expected to explain to the house and to the provinces—which have no responsibility in connection with unemployables—is why the change that has been made; why the alteration? Who made the recommendation? Did the advisory committee suggest that the promises and pledges of 1945 should be departed from in this manner?

What provision is to be made in connection with supplementary benefits for young men and women who have none of the qualifications to ensure them payment of benefits, and who are unemployed today? What about those in categories not comprised within the act? These are questions which the unemployed in this country expect to have answered.

Instead of saying: Let us not discuss the question of unemployment here, surely the minister's attitude should be: Let us face it; let us endeavour to arrive at some solution. The hon. member for Peel (Mr. Graydon) spoke about shutting the book, and about the government shutting their eyes to unemployment. Surely they do not want parliament to shut its mouth on this problem, one which is so important to half a million people in this dominion today.

So far as the general purpose of the bill is concerned, we accept it; but we say it does not go far enough—first, in the matter of the payment of benefits; secondly, in the fact that it is a departure from the promise of 1945, made to the dominion-provincial conference; third, that parliament should consider the period of unemployment for qualification, and its reduction; fourth, that parliament should consider, under this act, the inclusion for supplementary benefits of those who today are unemployed and have no one to look to but the federal authority.

The provinces have no responsibility. The Sirois commission report, which I have here, places the responsibility for unemployment expenditures, so far as employables are concerned, on the federal authority; and that responsibility was accepted in 1945. It will not be discharged by an act as incomplete, with its amendments, as is the Unemployment Insurance Act of today.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I wish to associate myself with the hon. member for Lake Centre (Mr. Diefenbaker) when, in his opening remarks, he referred to the indisposition of the Minister of Labour (Mr. Mitchell) and expressed the hope that he may shortly return to the house in his full vigour. I too sincerely hope so. I have been associated with the Minister of Labour for many years and although we have not always seen eye to eye in connection with certain matters I have the highest regard for him.

I spoke yesterday on the resolution stage of this bill and I do not want to repeat anything that I said at that time. If it were not for certain things that have happened I would be quite willing to let this reading go without saying anything at all. But I do protest as strongly as I possibly can against the way the government has treated the house in regard to this measure. We were told—I shall read the statement of the Prime Minister (Mr. St. Laurent)—in so many words that the purpose of this bill was to extend the supplementary benefits and it was desirable that it should go through the house now so that it could be quickly enacted and the benefits paid, despite the fact that on the opening day of this session we passed a resolution providing that the speech from the throne would have precedence over all other business this week and that for next week it would have precedence for three days in the week, with government business having precedence for the other two.

This bill was said to be so important, the purpose it was to fulfil was said to be so important, that we could not wait until next week; it had to be done at once. If the purpose of the bill was what we were told it was last Wednesday I would have no objection. At the adjournment of the house on Wednesday the Prime Minister said, as reported on page 151 of *Hansard*:

I understand that the Acting Minister of Labour has been discussing with the leaders of the several groups the possibility of taking up tomorrow, notwithstanding the special order made in respect of this debate, resolution No. 10 on today's order paper dealing with unemployment insurance in an effort

to have that resolution considered and the legislation enacted so that the payments it would authorize could be made as from the first of March.

Then the Prime Minister went on to say that he was informed that preparations by the Department of Labour were so far advanced that the benefits would be paid as soon as the legislation was passed, and he continued:

If my understanding is correct, the leaders of the several groups have said that they realize it would relieve distress to have that done as soon as possible.

That was the understanding upon which we allowed this measure to have priority over the debate on the speech from the throne. What have we got? What is placed before us? This is not a short measure to extend the benefits of the act; we have before us a bill of seventeen pages dealing with 25 different sections of the Unemployment Insurance Act. I insist that that is not the way the government should treat this house. This is a general revision of the Unemployment Insurance Act.

When the Unemployment Insurance Act was introduced in 1940 it was referred to a special committee and witnesses from all over the country were heard. We now have a general revision of the act and an attempt is being made to rush it through the house. A great many of those who will be affected by it were not consulted or did not see the bill. As a matter of fact, I did not see the bill until noon today.

Mr. Diefenbaker: We are all in the same position.

Mr. MacInnis: A government that wants the co-operation of this house, a government that wants the co-operation of various sections of the community, should not treat this house or the community in that way. I protest the deception that was put over on hon. members of this house.

Mr. Martin: I know the hon. gentleman will not mind my suggesting this to him because he observes the rules so carefully, but I think perhaps the word "deception" in reference to the Prime Minister or to those who made the arrangements is not really an accurate description of the situation and I know he would not want to use that word.

Mr. MacInnis: If the minister thinks that "deception" is a little too strong I am quite willing to have him suggest a more moderate or less extreme or more general word that will meet the situation. In any case I am glad that he admits that there was something put over the house.

Mr. Martin: Oh, no.

[Mr. MacInnis.]

Mr. MacInnis: I am quite willing to leave it at that.

Mr. Martin: I protest strongly and say to the hon. gentleman that nothing was put over the house.

Mr. MacInnis: There is no doubt something was put over the house. As a matter of fact, what should be done is to have a special bill brought in dealing with the extension of the supplementary benefits and postpone the rest of the legislation until such time as the labour bodies, the employers' associations and even the members of the advisory committee set up under the act have had an opportunity to look over the amendments proposed.

Mr. Speaker: The minister has raised a question as to the use of words by the hon. member for Vancouver East, to the effect that the Prime Minister has misled the house. I do not think that that is parliamentary.

Mr. MacInnis: I find it difficult sometimes to find a word to express my feelings. I have not had the advantage of a formal education and the fact that my mother tongue is Gaelic does not make it any easier. Words do not come easily to me, and I wish to thank you very much for giving me the proper word—misled the house.

Mr. Speaker: If the hon. member suggests that the Prime Minister deliberately misled the house that is not parliamentary.

Mr. MacInnis: I did not use the word "deliberately."

Mr. Martin: I think the hon. gentleman ought to withdraw that.

Mr. Speaker: If the hon. member for Vancouver East did not actually use the word "deliberately" he gave the impression that the Prime Minister had deliberately deceived the house. I think he should withdraw the imputation.

Mr. MacInnis: After what I have said I find it very difficult, even at Your Honour's request, to withdraw the impression that I have left with the house because that is the impression I got. However, if it is unparliamentary to use the phrase, of course I withdraw it.

Here is the kind of thing that we have in this bill, and this is by no means the most important section in the bill.

Section 87E, dealing with suitable employment, has nothing to do with supplementary benefits. It is not required at all to take care of the critical unemployment situation confronting us today. The section reads:

Any employment that, in the opinion of an insurance officer, a person who claims supplementary benefit is able to perform shall be deemed suitable, notwithstanding paragraphs (b) and (c) of subsection 2, and subsection 3, of section 40 of this act.

That is an important amendment. It varies the principle embodied in the act when it was first drafted. It leaves the question of suitable employment to the insurance officer. I submit to you we should not have amendments of that kind put before us and the house asked to rush them through without giving the people who are affected by the legislation, the people who pay the contributions, an opportunity to see what the effect of the amendments is going to be. I deplore the way this matter has been handled.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I want to say a word at this stage. I do not intend to go into the subject of general unemployment although, so far as I know, the government agenda does not provide any other place where we might better discuss that problem. As was expressed clearly the other day by the hon. member for Red Deer (Mr. Shaw), we see no great objection to the amendment in that it gives a little bit more relief to some of those who are unemployed if they come under the legislation. Generally speaking, it seems to me that the bill is not going to benefit a great many more than it did before. It is true that there will now come under the bill some industries which were not included before. The ceiling has been raised from $3,120 to $4,800, and that will bring in a great amount by way of extra contributions. To that extent the fund will be swelled. Whether the increased benefits will be in the same ratio as the increase in collections is problematical. Probably the minister will explain that as we go along. Certainly the benefits that are to be paid under the supplementaries are not going to be sufficient to take care of the problem involved.

One thing that concerns me very much is the thousands of unemployed who are not going to benefit as a direct result of these amendments. When the legislation was introduced I was in hopes that the government would see to it that the amendments to be made to the legislation would be comprehensive enough to cover at least a large majority of the people who are now unemployed. I want to join with the hon. member for Vancouver East (Mr. MacInnis) in his statement as to the procedure that is being followed in connection with this measure. The amendments presented to us are most complicated when you compare them with the original act, and it seems to me that it will take a tremendous amount of work in order to get the thing in proper shape. In my judgment this is no place to do that. I think it would be far better for the bill to be referred to a committee where it can have the thorough study that it deserves. Otherwise when the new amendments come into operation we are going to find ourselves in the position where a great many worthy organizations which should have been included under the bill will be exempt. In that respect it is not meeting the conditions for which it is intended. I should think the acting minister would be only too pleased to have the bill referred to a committee. In that way it could be brought back to the house in a satisfactory form to which the whole house could agree. I strongly recommend that procedure to the minister.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to join in the protest that has already been made by the hon. member for Vancouver East (Mr. MacInnis). As members in all parts of the house well know, it took the unanimous consent of the house for this measure to be dealt with yesterday and today. I certainly can speak for myself, and I think for others too, when I say that we gave unanimous consent because we were led to believe that the important part, if not the whole of the bill, dealt with ways and means of getting supplementary benefits to certain people now unemployed and not receiving them.

It was pointed out to us that the department had already made the necessary arrangements and that certain cheques, as a matter of fact, could go out right away if we facilitated the passage of the measure. That is the kind of situation that we frequently find ourselves in, but in view of the obvious distress, to use the Prime Minister's word, and the possibility that this measure would provide some relief for that distress we agreed to upset the established procedure for this week and permit the bill to be introduced. On receiving the bill today, an hour or two at the most before the house convened this afternoon, we find it has in it a number of things that call for changes in the basic part of the Unemployment Insurance Act. It is that sort of thing that led my colleague, the hon. member for Vancouver East, to use language that was regarded as perhaps unparliamentary. But, Mr. Speaker, you can see the situation. I shall not say the same thing, but you can see how we feel. Under the pretext of an emergency we have been given not a simple bill to deal solely with that emergency but a bill that provides pitiable relief of that distress, and along with it makes major and fundamental changes in the Unemployment Insurance Act itself.

The Acting Minister of Labour (Mr. Martin), and the parliamentary assistant to the Minister of Labour, who has also had occasion to express this view, know that when we have asked in previous sessions for changes in the

Unemployment Insurance Act—and the same thing happens when we ask for changes in the national labour code—we have been told that this legislation is the result of long consideration. We are told that drafts and subsequent drafts have been referred to the labour congresses, the Canadian Manufacturers Association, and the provincial governments and as a result the legislation that is before the house represents the consensus of the various governmental and other bodies that are interested. Therefore it is said to us that no matter how good the suggestions we offer on the floor of the house it would not be wise to upset legislation that has that kind of support behind it.

This afternoon we receive a bill containing basic and fundamental changes in the Unemployment Insurance Act. I can say categorically that up until three o'clock this afternoon neither the president of the Trades and Labour Congress of Canada nor the president of the Canadian Congress of Labour had seen a copy of the bill. I do not know whether the employers have seen a copy of it, but I doubt whether they were able to get one either, because it was available only to a few of us when it was first handed around a couple of hours before the house met. That simply is not playing fair with the house, with the people interested in the measure, or with workers across the country or employers either, for that matter. In addition to the statement I made about the top officials of the two labour congresses, I can say that, since reports have appeared in the press as to what is coming, I have had complaints from representatives of labour in this city today as to some of the other changes that are proposed in the measure. My colleague the hon. member for Vancouver East (Mr. MacInnis) has referred to the amendment having to do with the phrase "suitable employment". Granted that this is tied to the portion of the act which relates to supplementary benefits; still that phrase "suitable employment" has been one of the greatest bones of contention in the Unemployment Insurance Act. We have discussed it and complained about it on the floor of this house time and again, but we have been told it could not be changed without consulting all these people concerned. Now we have an amendment which makes that phrase even worse than it was before, with respect to the payment of supplementary benefits, and we are asked to rush it through.

We find, too, that there has been a change in the statutory condition which requires 180 days' contributions within the last two years. Now we find that in addition an employee seeking benefits must show that he has made at least 60 of those contributions within the last twelve months or 45 within the last six months. That is not an alternative; it is an addition to the statutory condition which has been there since this act was brought down in 1940. All kinds of workers across this country who have been paying their premiums through the years will feel that in a sense this is the breaking of a contract. True, it is a one-sided contract in that it is legislation which they have to abide by; but these were the conditions under which they have been paying their premiums all this time, and now a change has been made. When I asked officials of the labour congresses here in Ottawa what they thought of this the only answer I could get was, "Well, I have not seen the bill; I don't know what it is all about."

Mr. Cote (Verdun-La Salle): If my hon. friend will permit me, on a point of order I would like to say that everything contained in the present bill which refers to the existing act, changing or clarifying any existing provision, has been submitted to the advisory committee on insurance. This has been stated already, and I should like my hon. friend to take note of it. Part IIA of this bill, having to do with supplementary benefits, did not go to the advisory committee on insurance but went to an interdepartmental committee on social security.

Mr. Knowles: I think you will agree, Mr. Speaker, that this is not a point of order, but I do not mind it as an interjection; as a matter of fact it helps me out. I would point out that in the bill now before us there is an explanatory statement in connection with every clause; and in a number of cases it is stated that the clause in question, either in detail or in substance, has been approved by the national unemployment insurance advisory committee. In some cases, however, that sentence does not appear; and because of the zeal with which that sentence is put in whenever that is the case I can only assume that there are a number of these sections, even in the changes to the original act, about which the advisory committee knew nothing. This conflict between the statement made just now by the parliamentary assistant and the statements made to me by responsible labour leaders strikes me as very strange. They have seen reports of this statement that these matters have been referred to them; yet they say they have not seen them.

I repeat, every time we want to make a change we are told that this legislation has been built up after long consideration and that it cannot be changed without equally long consideration, so it seems hardly fair to bring about these amendments in this unsatisfactory manner. I would point out as well

that changes are proposed in the rates of contributions which employees will make. There are some anomalous details in that connection which I shall not discuss now but will reserve until we get into committee on the bill. It means that once this bill comes into effect many workers across the country are going to find the deduction from their regular pay a little higher than it was before. They are going to wonder what this government and this parliament are doing down here. They think we are doing something to help out the unemployed who need supplementary benefits; but lo and behold, the deduction from their pay cheques is going to be greater. They are going to discover the rather strange fact that the deduction increases by just the same amount for those in the lower categories as for those in the higher ones, with but slight exceptions.

Then there are corresponding changes in the rates of benefits to be paid, all of which are fundamental changes in the basic act itself; yet we are given really no opportunity to pass upon those. There is a little bit of relief for the distressed in the bill, and if we oppose it or delay it or even have it sent to committee, as was suggested by the hon. member for Bow River (Mr. Johnston), we will be accused of withholding payments from some of the 70,000 unemployed who might get something under this legislation. There is also a change with respect to temporary unemployment, which seems to be somewhat confused. As a matter of fact a number of the calls I have had today relate to the confusion on that point.

I do think the government does this sort of thing just a little too often. It has something good; it may be little enough, but it is sufficiently good for us to support it. But along with it they include other things that, to say the least, require more mature consideration. So I feel that the protest made by the hon. member for Vancouver East is valid indeed and I support that protest as strongly as I can.

Mr. Clarence Gillis (Cape Breton South): I have only a few words to say on this matter at this time. We are dealing now with the principle of the bill, and this is the only chance we will have to say anything in that connection. Well, what is the principle of this bill? As I see it the principle of the bill is to raise more money for the unemployment insurance commission and, as to the benefits to the unemployed that will be paid out for the additional period, to reduce by 20 per cent the payments made by the commission. Stripping this bill of all the legal language, that is exactly what it means to me.

I am not going to repeat anything that has been said already by the two previous speakers from this group, but I want to emphasize that this is the principle we are dealing with. Throughout the country there is a crisis in employment; and it is growing. In my opinion this bill was designed by the government to take the edge off that crisis. We get into a discussion on unemployment, and unless this is understood pretty thoroughly a lot of people are going to assume that this legislation is going to do something about our unemployment problem.

Take this business of increasing the amount of money available to the unemployment insurance commission. The bill suggests a change in connection with employees in the boy class. Previously the employer paid the contribution for that employee. Under the terms of this bill the employee will have to make that contribution himself.

Mr. Martin: His own contribution.

Mr. Gillis: That is right; but previously the employer made it for him.

Mr. Martin: But he obtained no benefits.

Mr. Gillis: Yes, he did. We can argue that point when we come to the section; I know Mr. Speaker does not want me to go into the bill clause by clause. That change means more money to the commission, with very little increase in benefits. Then you are giving coverage to another income group, up to $4,800 a year, which will include another 90,000 people. In my opinion that is a pretty select group, who are not going to draw on the fund. They are the men in the executive class, and that means more money for the commission. It is throwing the burden for paying for the upkeep of the unemployed on a group of men who, in my opinion, will never receive any benefit from the act. Then, the one cent increase is going to mean a lot of money to the unemployment insurance fund. It would seem, therefore, that the only connection this bill has with the present unemployment situation is the extension of benefits from January to the end of March and, providing the bill passes this year, until April 15. While the benefits are being extended to people who are unfortunately unemployed for that length of time, the amount payable to them is being cut by 20 per cent. Personally, I cannot justify that principle. So far as I can see, those are the two principles contained in the bill. No. 1 is to get more money for the commission, and No. 2 decreases the rates that are now in existence.

I should like to mention this advisory committee. If you look at the bill, you will find that of all the sections contained in it there

are only two concerning which it is emphasized that the advisory committee has agreed to them in principle. The advisory committee is composed of representatives of labour and of the employers. If these representatives are not going to be consulted when basic changes are made in the act, then the committee serves no useful purpose. The bill provides also for an increase in the number of representatives on the committee. I know the program of labour concerning the changes in the Unemployment Insurance Act. These changes are certainly a long way from it. I am reasonably sure that most of the changes, as the bill itself indicates, were not agreed to by the advisory committee.

In my opinion, that is a serious objection. I know that if I were the Minister of National Health and Welfare, and a man who is as honourable as he is, if I were pinch-hitting for the Minister of Labour, who is unfortunately ill, and I was handed a bill such as this, one of the first questions I would ask the parliamentary assistant would be, "Has this bill been before the employer-employee committee?"

Mr. Martin: That was one of the first things I did.

Mr. Gillis: I imagined you would. Then, the parliamentary assistant would have to say, " I am sorry, but only two sections of the bill went before that committee."

Mr. Martin: He said just the opposite.

Mr. Gillis: The bill does not say that. The bill clearly says that the committee agreed upon two matters in principle, one of which was the increasing of the amount of permissible earnings. They are small details. In so far as the basic changes are concerned, such as the rates and the people to be included, I do not think the committee was consulted.

Mr. Cote (Verdun-La Salle): May I say that on the question of the disappearance of the fraction of a cent in the rate of contribution, the advisory committee was consulted and unanimously agreed the change was reasonable.

Mr. Gillis: I would agree to that myself.

Mr. Cote (Verdun-La Salle): That is a basic change.

Mr. Gillis: That was not a basic change, that was just a reasonable change. In fact, that was a good change, and I would have agreed to that myself. I do not believe this complicated bookkeeping, and the chasing around of fractions, means anything but a lot of trouble. The committee agreed to that in principle.

As I said before, the drafters of the bill were careful to write into the bill the few places in which they could say the advisory committee agreed to this in principle. Such was the case in only about one-half of one per cent of the bill. The other changes were not agreed to by that committee. I am deeply concerned about this advisory committee. If it is only to be window-dressing, and to be used merely when the department wants to use it, then I think we should have an understanding on it.

If I were a member of the advisory committee representing labour, and a bill with the far-reaching effect of this bill were brought in by the department, I would certainly disclaim any responsibility and quit the committee. I would have my say or I would not remain on the committee. If the members of this house are assured that neither the employer nor the employee representatives are to be consulted about these things, we can take a different attitude in the house. When I know a committee representing the people vitally concerned in these matters actually functions, I am not so inclined to be suspicious as I would be if the committee were not there. I strongly urge upon the minister and the parliamentary assistant that when matters of this kind are discussed in the future the committee should be used, and thus guarantee that the measure receives some consideration by a committee, which is really the only place such matters can be properly considered.

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

On section 1—*Designated officers may administer oaths.*

Mr. Pearkes: Most of the speakers who have discussed this bill, either in the resolution stage or on the second reading, have referred to the implications of it in large metropolitan areas in which there are offices of the unemployment insurance commission. The first section of the bill deals with the administration of that commission, and I should like to address a remark or two to the workings of the commission in the smaller centres which have small offices. There are several such small centres in my constituency. These offices have been flooded during the last few months owing to the sudden rush of men—

Mr. Cote (Verdun-La Salle): On a point of order, Mr. Chairman, there is no objection to letting the hon. member say a few words of a general nature on this subject, but it has no relevancy to clause 1 of the bill. It

was thought proper to point this out to the committee, so there would be no trespassing upon the rules.

Mr. Pearkes: I have been referring to the administration. Surely clause 1 relates to the administration and conduct of the offices of the commission. I do not intend to speak at any length, but I believe my remarks are in order, because they are pertinent to the administration of this act. In these small centres, the unemployment insurance commission offices have not been able to cope with the sudden rush of men who have been thrown out of employment, because of the shutting down of the mines or the closing of some of the logging camps on Vancouver island. The closing down of these camps is seasonal, but it is a recurring coincidence year after year; and then these men come in and find that they cannot get their claim adjusted immediately because there is either a shortage of staff or a shortage of trained staff; then a great deal of discontent is shown.

The question I should like to ask at the present time is this. Is there to be any simplification in the procedure whereby perhaps additional staff may be brought in immediately so that they may be taught how to deal with these new problems which will arise as soon as this bill comes into force, and whether it would be practicable to increase the number of adjudicators so that the claims would not have to be referred to a central office? In my particular case, claims arising in Nanaimo have to be sent over all too frequently to the central office in Vancouver, where there is a considerable delay because there is not an adjudicator in Nanaimo. I do not know whether it is a case of new and additional adjudicators, or whether the local agent in the small cities should have his powers increased so that he might be able to adjudicate on some of these claims. But I am quite certain that one of the reasons for a certain amount of discontent is the delays that have been experienced in the smaller offices.

I do ask if possible that a simpler form of procedure may be brought in and that the steps be taken now so that the provisions of this act may be implemented immediately that the cheques are available.

Mr. Cote (Verdun-La Salle): Answering my hon. friend, I may say that the commission has been studying very closely ways and means whereby the servicing of the insured would be increased across the country. To the particular question that my hon. friend asked I may say that the number of adjudicators has been increased by slightly over two hundred. Powers have been asked and are being considered for a further substantial increase of their numbers.

Mr. Browne (St. John's West): Mr. Chairman, I wonder whether I may be allowed to make a few observations at this stage. I am not particularly familiar with the Unemployment Insurance Act, 1940, which has had a good many amendments in the past ten years. To be confronted with a bill at three o'clock this afternoon, and to be expected to understand it, would require the wisdom of a Solomon. I know there are a great many wise men here but I do not profess to belong to that class. Because I do not know under what particular section I should bring these points out I should like to be permitted to point out to the minister certain difficulties that have arisen to my knowledge in connection with the administration of this act in Newfoundland.

There is the instance of men who were working on public works and who, prior to the provincial election in May, had to be laid off in accordance with the provisions of the Newfoundland election act of 1913. Before the month had expired some of these had occasion to go and apply for insurance, and they drew six days' insurance. Under the law as it applies to Newfoundland since April 8, 1949, unemployment assistance rather than unemployment insurance was granted, because they had not made any contributions. They went back to work on May 31, and then they were laid off as seasonal workers. The work closed down. When they went to apply for the insurance they were not granted any. They were told that they had received six days' insurance, and that was all they were entitled to until six months had expired. The acting minister, and certainly the parliamentary assistant, knows all about it, and I do not suppose it is anything unusual. It seems to me to be an extraordinary thing that men who have been employed for four years can draw only six days' insurance and were refused any further benefits.

The second class that I wish to bring to the attention of the minister is that of workers on other public works who had to wait five weeks and still have not received their insurance. Acting on their behalf I took up the matter with the local office, and was informed that they were swamped with applications for insurance. But surely, if it is to be of any benefit, it should have been attended to before that length of time had elapsed; otherwise the people had to depend upon charity or they would have starved. Therefore I suggest to the acting minister, and to the minister himself when he comes back, which I hope will be soon,

that some attention should be given to a proper adjudication of those claims. They should not have to wait so long.

Section agreed to.

Section 2 agreed to.

On section 3—*Rates of contribution.*

Mr. Graydon: Mr. Chairman, I should like to make an observation, if I may, on this section, which has to do with rates of contribution. It may properly be said that because the federal government has gone so far into trade, into business and commerce, in the natural flow of events the question of unemployment and the question of workers' conditions, wages, jobs and so on are predicated to a very great extent upon the policies of the government of the day. At least, when things are good the government takes the credit for it. I suppose when they are bad the government will not be quite so prone to advertise their relationship to that condition, but nevertheless they have to take the bitter with the sweet.

That leads me to this point. The change in the Unemployment Insurance Act, both as to contributions and the other sections as well, is largely brought about by the fact that people have not as many jobs as they did have and that the future of their jobs is much more uncertain than it was a year or so ago. That means that the government has a responsibility with respect to the unemployment situation and the insurance against it. That has been recognized by the fact that the government is now guaranteeing the fund. What it means is that if the fund has not enough money by contributions the government puts up the difference. In establishing that principle with respect to unemployment insurance the government has accepted some responsibility for the matters which are causing the situation which would call for greater benefits under the Unemployment Insurance Act.

The point on which I find myself in great disagreement with the administration is why the government, which has partially accepted responsibility for the condition, asks the worker to put up more money because there is some unemployment which has been caused by policies or conditions which are under the jurisdiction of the government. I think it is adding insult to injury to ask the worker of this country to underwrite the unemployment situation, even to the degree that the government is now asking him to do so. I do not think the worker should have been asked to do that. In many instances the worker is in a pretty insecure position. I do not think that he should be asked to carry more of his share with respect to unemployment benefits than he is doing now. It is asking too much of our working people to ask them to increase their contributions in order to relieve unemployment, or the results of unemployment, in the country. So far as this financial measure is concerned, that rests squarely on the doorstep of the government. Surely we are not going to put the unemployment situation over on the doorstep of the workers of Canada, who are themselves likely to feel the pinch as the days go on. That is the thing the government ought to be shouldering. Having accepted that principle, surely there is no reason why they should not have gone that far. There may be valid reasons which dictated the government's position on that. But the government will never get the worker to see that they are valid reasons—and, frankly, I have not been able to see them, either.

I suggest that at this stage the government should consider very carefully whether it should not either change or withdraw the amendment it is making which would have the effect of directing the workers in this country to put up more money for the unemployment insurance fund. It ought to be the other way round. We ought not to be shouldering the worker with more burden; we ought to be taking something off his back, rather than putting it on.

For that reason I suggest that the government ought to retrace its steps and retreat from its position. This amendment is feeble and futile enough as it stands. It is a half loaf being accepted by parliament, rather than nothing. Nevertheless it seems to me we have reached the limit of absurdity when we ask the workers of this country to put up more money to solve the unemployment situation. That is the government's job, not the workers'.

Mr. Knowles: Mr. Chairman, I should like to say something similar to what has been said by the hon. member for Peel. I feel that the government, through the acting minister or the parliamentary assistant, must give a full explanation of the basis upon which these new rates were arrived at.

I presume it will be said that in return for the increased amount each worker is being asked to pay he will receive the guarantee of a slightly higher rate of benefit, if he has to go on unemployment insurance. That is an argument which seems to have some logic in it. But it is pretty hard to sell it to the worker who is not anticipating unemployment, but who sees this increase in the amount he has to pay brought in just at a

time when apparently the government is being generous and doing something for the unemployed.

This will look to the workers of this country exactly as it has been described by the hon. member for Peel. It will seem as though the workers are to be asked to pay an additional tax which is said to be necessary to enable the government to send out these cheques—which will go out if and when the legislation passes.

The minister made the statement that the increase was to be one cent a day. Well, that is pretty easy to recite; it sounds very small—just a cent a day. But it happens to be six cents a week by way of an additional deduction from the average worker's take-home pay. I have one or two observations to make in that connection. The first is that, except for some differences which I shall point out later, that six cents is across the board. A person who is making $10 a week and is now paying 18 cents unemployment insurance will pay six cents more. A person who is making $35 a week and is now paying 42 cents a week unemployment insurance will pay six cents more. That is not a very fair method of taxation—to add the full six cents on to the unemployment insurance deductions of the people in those two different categories.

Let us take the case of the boy to whom reference was made by the hon. member for Cape Breton South, the boy working for $5.40 a week or less than that. I hope there are not any of them from whom unemployment premiums will be taken. That is a ridiculous wage even for a boy to be receiving. But the provision is here. Under the act as it stood before, a boy making less than $5.40 a week paid no premium out of that amount.

Mr. Martin: And received no benefits.

Mr. Knowles: Just a moment; you said that before. He paid no premiums, and had no deductions from his $5.40. The total premium paid for him was 18 cents, 9 cents of which was paid by the employer under the employer's name, and 9 cents paid by the employer on behalf of the boy.

Let us get it straight. A boy who was making $5.40 a week paid nothing out of his own earnings.

Mr. MacInnis: Or a girl.

Mr. Knowles: Yes. Anyone making $5.40 a week paid nothing. Under the new provision brought in today such a person will pay 18 cents a week. I have already indicated the gross unfairness of it.

Mr. Cote (Verdun-La Salle): May I give an immediate reply?

Mr. Knowles: Yes.

Mr. Cote (Verdun-La Salle): Speaking first of the first class in the old scale, the insured earning $5.40, under the age of sixteen, may I say the aggregate number in that category is one-half of one per cent of the total number of insured under the act.

Mr. Knowles: I was going to come to that. I was about to say that if it were only one boy in the whole of Canada who, thus far, had been paying nothing into the unemployment insurance fund, but who is now called upon to pay 18 cents a week to help the government hand out these supplementary benefits, then that is a shame and something of which this parliament should not approve.

The parliamentary assistant says that it is less than one-half of one per cent. I would assume therefore that it is more than one boy, or that it is a number of boys—perhaps one or two hundred. Offhand I do not know what the number is; but I submit it is bad enough to assess an extra six cents against the person making $10 a week equally as against the person making $35. And certainly it is adding insult to injury to pick out the boy who makes only $5.40 a week, and to ask him to pay 18 cents—

Mr. Cote (Verdun-La Salle): This is insurance; this is not assistance or relief.

Mr. Knowles: I know it is insurance; and the parliamentary assistant is now underlining our complaint about the whole bill, namely that under the pretext of an emergency, or the pretext of an extreme urgency to deal with distress, the government has brought in basic changes in the act. I believe changes should be made in the act, and I have argued for those changes ever since I came here. But the time to deal with them is when we have sufficient time to go into them on a proper basis, instead of going at it with a gun at our heads, as at the present time.

I have gone out, as has the hon. member for Vancouver East, and pointed out to working people that this is insurance. That is what labour asked for, and it is a good thing to have. But it is a strange coincidence to have to provide these increases in amounts just at a time when the government is apparently being generous and giving supplementary benefits to some of the thousands now drawing nothing at all.

I submit there is a coincidence here which will be pretty hard for the government to explain. However, I want them to do it. I want them to explain how they arrived at this new scale, and why it is six cents across the board. It is not completely so, because I realize there are one or two places where

there is no increase because of an overlapping of the old group with the new; and there are one or two places where the increase is only three cents, and one place where it is nine cents. Also, for those in the highest brackets the increase will be twelve cents a week. I would point out at the same time that the increases on the part of employers are not quite the same. Because of this equalization of payments between employers and employees the extra amount to be paid by employers is not as great as the extra amount to be paid by employees.

There has to be some explanation of this—not just figures drawn out of a hat. I think the question asked yesterday by the hon. member for Lake Centre should be answered now and we should be told how much the government expects to get because of these increased rates. Again quoting the hon. member for Lake Centre, I think when we get to the supplementary benefits section we should be given figures showing how much the government expects it will have to pay out. It looks as though these rates are being increased under the pretext of their being insurance when in fact they simply represent the money necessary to pay out these supplementary benefits.

Mr. Diefenbaker: I should like to say a word about the levies that are provided by this section. I pointed out this afternoon that at the dominion-provincial conference of 1945 representations were made by the dominion government through the Minister of Labour as follows, and I quote from page 387 of the proceedings:

> In addition to unemployment insurance, the dominion will set up a system of unemployment assistance under which it will pay benefits equal to eighty-five per cent of unemployment insurance benefits, to unemployed persons able and willing to work who are not entitled, or who have ceased to be entitled, to unemployment insurance benefits. This assistance will be limited to two years of continuous assistance, but a person will again become eligible for this assistance following an approved period of employment.

As I pointed out this afternoon, unemployment assistance is just another way of saying supplementary benefits, the phrase used in this bill. I feel that the charging and imposition of these levies on the employer and employee are a denial of the representations made to the provinces in 1945 by the Minister of Labour. It is inexcusable and should not be done. In 1945 the Minister of Labour undertook on behalf of the dominion government to provide all of this unemployment assistance.

What is the justification for this further levy? It is a denial of what was promised in 1945. It is all very well to say it is a small levy, but the dominion government undertook at the conference in 1945 to provide unemployment assistance for the persons covered by this bill under the heading of supplementary benefits. Has consideration been given to this by the provinces? Have they been consulted? This is in fact a travesty of what was undertaken in 1945 at the dominion-provincial conference.

Not only do I disagree with the amount of the levy, I disagree with the right to impose the levy in view of what the Minister of Labour said in 1945. I ask the minister: Is not the provision of these benefits the same thing that the Minister of Labour undertook in 1945 would be supplied by the dominion government at the expense of the people of Canada as a whole?

That is what was promised. You can change the name and call them supplementary benefits instead of unemployment assistance as it was called in 1945; it is the same thing. I submit that it is unjustifiable that a further levy should be made in order to meet this so-called extraordinary situation, incidental as the government claims, to peculiarly difficult climatic or local transitory conditions that will soon pass away. That is the government's allegation, it is not ours.

That being so, what justification is there to impose a levy on the man who works to meet a situation that the government says is transitory, to provide for supplementary benefits? As a matter of fact, this whole question of supplementary benefits is being dragged in by the back door into the Unemployment Insurance Act. There is no justification whatsoever for that. There is no unemployment insurance act that I know of that provides for supplementary benefits such as are being provided for here, and I have read the United States and the British acts. This looks like another scheme whereby the responsibility of the dominion government as enunciated by the Minister of Labour in 1945 is being evaded through the subterfuge of changing names.

I protest most strongly against a further levy being made against the man who works to provide for a situation which the government says is transitory and local, which is the result of conditions peculiar to various areas, rather than having this considered as a national unemployment situation. This is the type of expenditure that the government has always had to make since 1945. Prior to 1945, as is shown in the debates from 1928 to 1945, there was an endeavour to place upon the provinces or the municipalities responsibility for those in this category. In 1945 the government accepted the sole responsibility of providing for unemployment in the transitory sense.

It is not a large contribution that is being asked for, but the principle is wrong and unjust. However small it may be, when a principle is at stake there is good reason to object to a levy such as is being made here.

Mr. Noseworthy: I think before we pass this section we should be clear in our minds as to just what is involved. During my speech yesterday the Acting Minister of Labour informed us most emphatically that the purpose of this amendment to the Unemployment Insurance Act was not to provide a substitute for employment, that it was not a measure to take care of unemployment, that it was simply a redrafting of the act.

We are told in the explanatory note opposite page six that the purpose of the additional cent per day is to provide part of the money that will be paid out in supplementary benefits and that supplementary benefits are being provided because of the unemployment situation during certain months of the year. Regardless of what the minister has said, this is the government's method of meeting the unemployment situation during these particular months.

Working people are being called upon to contribute from their earnings in order to provide money that the government will pay to the unemployed during certain seasons of the year. The government has completely reversed its policy in regard to providing for unemployment. As yet we have had no indication that the government has any other measure to bring before this house to take care of the unemployment situation. I am quite sure that the workers will resent the government calling upon them to finance an unemployment situation in this country which has always been the responsibility of the federal government.

There is one question I should like to ask. I note that the inclusion of a new class is recommended by the unemployment insurance advisory committee. Did the unemployment insurance advisory committee also recommend the increases that are in this table? I think we should have a direct answer to that question.

Mr. Fulton: Before the minister answers, I should like to add my voice to those who have said already that it is not just or sound to expect workers across Canada to have to make contributions on this increased scale, which will be permanent contributions, made a part of the act, in order to provide, as the explanatory note makes clear, for the supplementary benefits outlined in clause 20. In other words, for the sake of getting benefits for three months in the year under a situation which, as the hon. member for Lake Centre so clearly pointed out, the government itself says is only transitory and results only from extraordinary winter conditions, they are going to increase the contribution by six cents per worker forever or for however long he may work. That is exactly what is being done. It is not justified by the situation. It is contrary to the promises which were made, that the dominion government would assume full responsibility for this. No necessity for it has been demonstrated in the course of the remarks of the minister. I certainly suggest the committee should not pass the section until that necessity is proved, and I personally do not believe it can be proved. Before we go any further I think we should have an answer from the minister as to how much these increased contributions are expected to yield, and how much it is anticipated that the increased benefits for these three months of the year will cost.

Mr. Isnor: It appears to me that the hon. member for York South and the hon. member for Kamloops are taking the stand that workers will be opposed to this increase. If I were looking at it from a selfish point of view, representing merchants and retailers, I could take the same stand, but I am not. Organized labour advocated a measure of this kind for years and they were pleased at the time unemployment insurance was brought into effect because it was insuring their future in the same way that we as individuals insure our lives or make provision for our own protection and that of our families by investments, pension schemes, or annuities. I think you get out of this world what you put into it, and if we are going to ask for greater protection and the extension of the benefits, then it is only natural that we must pay. At the time when the measure was first introduced we enjoyed an exceptionally high state of employment and prosperous times, and I think it was most opportune that it should have been introduced then. Employment has increased since then.

I have particularly in mind the last class, $48 a week or more. That should bring in a large amount, and while I, like other members, am concerned about the actual return in dollars and cents from the one cent addition in the various other classes, I am wondering what amount the category to which I have referred will bring in. Is the minister prepared to tell us the amount expected from that particular class?

I feel that workers as a whole, as well as merchants, realize that these increases must come from one source only. After all, the government makes a 20 per cent contribution to the general fund just as other contributions are made. The more you dip into the fund

the more you are going to take from the productive pool created by the efforts of the workers and those who are interested in enterprise. For that reason I am inclined to differ from members who have taken the opposite view, and I welcome the measure if there is going to be greater security so far as the insurance angle of the act is concerned.

Mr. MacInnis: I do not think that those members who have criticized these particular amendments have done so so much because of the increase in the contribution as they have because of the fact that the amendments have been introduced without consultation with representatives of those who are to make the contributions. That is one basis on which we object to it. Before unemployment insurance was provided for on the statutes, organized labour had advocated it for many years. Hon. members of the house will recall when unemployment insurance was eventually put on the statutes. It was not done because the government believed in unemployment insurance but because they wanted to use the contributions to unemployment insurance to prevent the development of the inflationary trend at that time. The two matters coincided, and perhaps it is just as well that they did or we would never have got unemployment insurance.

The Deputy Chairman: Shall the clause carry?

Some hon. Members: No.

Mr. Fulton: We want an answer.

Mr. Noseworthy: Will the minister answer my question?

Mr. Martin: I have listened with a great deal of interest to what has been said. I have no hesitation in saying at once—and I know something about labour in this country—that I am sure every worker in Canada will be willing to pay six cents a week, as a result of this unemployment insurance amendment, in order to assist, under a pattern of supplementary insurance system, in giving him benefits during the winter months if during that period he finds himself out of work. I have no doubt about this and anyone who does not share that view has not the confidence in Canadian labour that I have. What are we doing in this measure? We are extending the principle of unemployment insurance by way of three partners, the employer, the worker and the state. That is the principle which makes the Unemployment Insurance Act the sound measure that it is.

It would have been possible for the administration to alter its course and, instead of exacting premiums from the beneficiaries, to have paid the whole shot itself. But what does that mean? The government merely represents the taxpayers as a whole, and if the government paid the whole contribution not only would it be betraying the principle of insurance but it would also simply be transferring away from the same quarter moneys that it is collecting now in accordance with insurance principles. I think we are developing in this country, and properly so, the idea that our social services, in so far as they lend themselves to this kind of remedy, should be paid for by contributions from those who are possible beneficiaries. What do we find the situation to be in this house with regard to old age pensions? There is a demand, a desire and an expression of opinion that we should develop pensions on the basis of contributory principles, and in so far as that is practicable I hope, as the Prime Minister has said, that it will be possible to do so.

Could we at this stage, when we have built up a great tradition in the administration of unemployment insurance, betray that principle? I do not think that upon reflection any hon. members, even those who have criticized the bill, will come to that conclusion. As I said last night, and as the hon. member for Danforth (Mr. Harris) urged me to say, the unemployment insurance fund must remain intact; it must not lose its trust character. One way to make sure that does not happen is to see that no agency, including the state, is allowed to alter it, directly or indirectly, in such a way as later to lead to impairment of that fund. If my hon. friend will recollect the words of the prime minister of this country in 1935, the Right Hon. R. B. Bennett, in addressing himself to the measure he introduced, and which was later declared by the courts to be unconstitutional, he will see that Mr. Bennett made this very point, indicating the necessity of providing safeguards with respect to this fund. I do not think one needs to say any more on that point.

In spite of what the hon. member for York South (Mr. Noseworthy) insists on repeating, even in view of what I said last night, this is not an employment measure. Anyone in his right senses knows that even a government of which my hon. friend has such a low opinion is not so lacking in ordinary intelligence as to make such a declaration of purpose. Of course this is not a measure to relieve unemployment.

Mr. Knowles: Read the speech from the throne.

Mr. Martin: This is exactly what it says, a measure intended to provide benefits for those who suffer the condition against which provision is made in this act, by way of

insurance in which they participate, during a period when historically the unemployment rate in our country is higher than in the other months of the year. That is what this measure is, and nothing more. As far as I am concerned, as one member of the government I shall be ready to deal with that other matter when that is to be done, in the way I think it should be dealt with. But let us keep in mind the matter that is engaging us at the present time.

My last comment is in connection with what the hon. member for Lake Centre (Mr. Diefenbaker) has said twice today. He said it well, but that does not make it a correct or valid argument. He keeps confusing unemployment assistance with assistance made possible by way of an insurance measure. By no possible construction does this come within the ambit of unemployment assistance. The hon. member referred to the discussions of 1945. Of course proposals were made at that time by this government, and in their broad objectives those proposals are still in mind and have not been abandoned.

Mr. Diefenbaker: And have not been kept.

Mr. Martin: Undoubtedly they will be discussed when the provinces meet next September, and we will have to face such issues. The matter now before us has nothing to do with that kind of assistance. This is not assistance; it is insurance, to which the state and the two partners in industry, the employers and the employees, are contributing. It is a wise principle, which is not new to unemployment insurance. The only criticism that in the circumstances could be legitimately made, I think, is that instead of thinking about this measure today it might have been thought about in 1940 when the original act was introduced. But of course hindsight is always better and more brilliant than foresight. So I say that instead of in any way weakening this principle of contribution, we on this side believe in it, and we feel that the workers of Canada will subscribe to that belief.

Mr. Ferrie: I want to say just a few words with respect to the actual insurance. I heartily endorse this measure, and I think we should put it through as quickly as possible so the boys who need this money will get their cheques on March 1. As I see it, however, one thing is left out that I should like to see put in. Take the man who comes out of the mine, the man who comes off the railroad, who goes to a doctor and suddenly finds that he has cancer, or something else radically wrong that cannot be helped. He is out of a job; and he is out of unemployment insurance. That man has paid his insurance, and he is going to pay more now; and I believe that man should be taken care of.

Mr. Knowles: I think the minister should try to give an answer to the question we have asked repeatedly, as to the increased revenue to the fund that is anticipated from these higher rates.

Mr. Martin: I do not think I should try to give an answer which cannot be entirely accurate. That depends upon factors not now known. We could give an estimate, but it might not be helpful in the matter. The whole thing has yet to be calculated. This is a new experiment for us, and I submit that, not knowing how many will be employed in any given period or what will be the extent of unemployment during winter months, if it does take place, we cannot with any sense of responsibility give a figure.

Mr. Knowles: How did you set the figure?

Mr. Martin: It is a calculation based upon actuarial principles.

Mr. Graydon: It must have been a guess.

Mr. Martin: It was an estimate, and every estimate is a guess.

Mr. Graydon: But you say you cannot make an estimate.

Mr. Martin: It was an estimate, and in view of that fact I do not think I should give anything that is not reasonably close to absolute certainty. What we do know is that the one cent a day contribution by the employer and the employee, and the commitment of the government to supply the difference in the fund, will be carried out. At the end of 1952, in the light of our experience in the interval, we may have to revise our calculations.

Mr. Knowles: I think the minister should be pressed to tell us the basis on which these figures were arrived at. Surely he does not think the government can just sit down and guess at any figure, which might be this or might be that, and expect us to approve it. We should know the basis on which these figures were arrived at. The minister says it was done on an actuarial basis. I never knew an actuary who did not deal in pretty definite figures. However, I will go on to something else; plenty of others around here will see to it that that question is pressed.

When I was speaking previously the parliamentary assistant to the Minister of Labour interjected a figure the meaning of which in absolute figures—since I was speaking at the moment—I was unable to calculate. He said the number of people in the zero class

covered by unemployment insurance was less than one-half of one per cent. Could he give us the number in that category at the present time?

Mr. Cote (Verdun-La Salle): Roughly 15,000.

Mr. Knowles: Now, we shall see what that means. If the parliamentary assistant has given me the wrong figure, will he please correct me before I make a calculation based upon it? He says that 15,000 people amongst those covered by unemployment insurance are in the class who receive $5.40 per week or less. In other words, I suppose that covers a lot of boys and girls. They are the people who are now paying no unemployment insurance out of their own pocket. Let us get that absolutely clear. There are 15,000 boys and girls earning $5.40 per week or less, who are registered and covered by unemployment insurance, but who pay nothing out of their own pocket.

Mr. Cote (Verdun-La Salle): But who get no benefit.

Mr. Knowles: We all know that, but they accumulate benefits.

Mr. Cote (Verdun-La Salle): It serves to build up the benefit year.

Mr. Knowles: There are 15,000 people who are now making $5.40 per week or less, and who pay nothing out of their own pocket. At the moment 18 cents per week is paid for them, 9 cents in the name of the employer and 9 cents on behalf of the employee, but paid by the employer. In practical terms, therefore, the employer is paying 18 cents and the boy or girl is paying nothing.

Mr. Cote (Verdun-La Salle): The exact number is 14,850.

Mr. Knowles: Let me stay with the round figure of 15,000. There are roughly 15,000 boys and girls who are going to be asked to pay 18 cents per week—

An hon. Member: You have told us that six times.

The Deputy Chairman: Order.

Mr. Knowles: They are going to be asked to pay 18 cents per week. In 52 weeks that amounts to $9.36. If you multiply 15,000 by $9.36 per year, it amounts to $130,400.

The parliamentary assistant says that the number is less than 15,000, so I shall settle for $125,000. I ask the minister to get away from this high-sounding language he is using, and face what this government is asking this parliament to approve. We are asking the boys and girls of this country who are making $5.40 or less per week to contribute $125,000 per year in order to help provide these supplementary benefits.

Mr. Martin: May I tell my hon. friend that he can do nothing better than to join in the suggestion that that would be a very good lesson to give to the younger people of this country.

Mr. Knowles: The speech the minister makes reminds me of the speeches that were made in England 150 years ago, by some people who said it was good for the children to go into the coal mines or climb up and down chimneys.

An hon. Member: Rubbish.

Mr. Knowles: Rubbish, is it? Members who are crying "Rubbish" should hang their heads in shame that there are 15,000 boys and girls who are working for $5.40 per week.

An hon. Member: We do.

Mr. Knowles: Are you proud of it?

An hon. Member: No.

The Deputy Chairman: Order. Really, there must be more order in the proceedings. The hon. member for Winnipeg North Centre has not concluded his remarks. I ask all other hon. members not to interrupt the member who has the floor.

Mr. Knowles: Thank you, Mr. Chairman. I want to respond to the challenge of the minister. I do not think this is any sort of lesson to be giving the boys and girls of this country in social responsibility, to put this sort of thing on their shoulders now.

Let me go further. Do not forget that when I first got to my feet I stressed the fact that we want to know what these new rates are going to produce, and I want to know that before this section passes. The senior member for Halifax said a moment ago that employees would be glad to pay these increased rates, because of the increased insurance they were getting for them. I believe he said that, as an employer, he was willing to pay these increased rates too. He has in mind, of course, the statement of the Acting Minister of Labour concerning the one cent per day or six cents per week across the board for employees and employers alike. May I tell the senior member for Halifax and others that in the case of all those earning less than $15 per week, there is to be no increase in the amount paid by the employer. Just let that sink in for a moment.

Let us take the table that is on page 2 of the bill before you, and compare it with the

old schedule which appears on page 43 of the latest office consolidation of the Unemployment Insurance Act. Here are the facts. In the case of those who were previously making less than $5.40 per week, the employer has been paying a total of 18 cents. He will still pay the 18 cents, so there will be no increase for the employer, but there is an 18 cent increase for the employee. In the case of those earning between $5.40 and $7.49 per week, formerly the employer paid 18 cents. He will still pay 18 cents, so there is no increase. The employee was paying 12 cents and he will now pay 18 cents; an increase of 6 cents. The next group covers those earning from $7.50 to $8.99. The employer was formerly paying 24 cents per week and he will now pay only 18 cents a week; a drop of 6 cents. In the case of the employee, the payment goes up from 15 cents to 18 cents; an increase of 3 cents. The next group is from $9 to $9.59. Formerly the employer was paying 24 cents, and he still pays 24 cents, so there is no increase. The employee was paying 15 cents and now pays 24 cents, an increase of 9 cents. The next category covers those earning $9.60 to $11.99. The employer was paying 24 cents and still pays 24 cents, no increase. The employee was paying 18 cents and is now paying 24 cents, an increase of 6 cents. The next group is from $12 to $14.99. The employer was contributing 24 cents and still contributes 24 cents, no change. The employee was contributing 21 cents, and will now contribute 24 cents, an increase of 3 cents.

The dividing lines with respect to those categories have been changed, so I have had to break them into different groups so as to make the calculations accurate. I have taken all cases up to $14.99 per week, and have shown you that in no case is the employer paying any more, and in one small section the employer is actually paying 6 cents less. In all cases, the employees are paying more, varying from 3 cents to 6 cents and 9 cents and, in the case of those 15,000 boys and girls 18 cents, to provide $125,000 for the fund. To talk about high-sounding principles with these features of this bill is a distortion of those high-sounding principles. Certainly the members of this house support the insurance principle, and support the value of the people of the country knowing that they are paying for what they are getting. It is a distortion of that principle, however, to ask those people in these lower brackets to pay these additional amounts. I protest against it most strongly.

I still say we should have some explanation as to how this scale of rates was arrived at. We should be told, and I hope the members will continue to support me in that, what the governments expects these new rates to provide by way of actual increase in revenue to the fund.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Chairman: When the committee rose at six o'clock we were dealing with section 3.

Mr. Knowles: Is the minister prepared now to give us the figure of the total extra revenue expected by virtue of the increase in rates provided in this clause?

Mr. Martin: I shall have to give that information later in the evening, and I shall try to do so. I cannot give it at the moment.

I think I should deal briefly with the point that my hon. friend was making at six o'clock when he was talking about the figure 14,850. I am not saying that we perhaps did not give him some basis for the statement he was making, but the information should have been supplemented by another statement which I neglected to make. When we give the figure of 14,850, that figure is not meant to be only of persons sixteen years of age. That class "O" includes persons sixteen years of age or under, regardless of their earnings. It would require a great deal of statistical information that I have not got available, or is not easily available to me tonight, to show that they by no means represent anything like the majority. I cannot give an accurate figure. It is also made up of course of persons earning less than 90 cents a day, or $5.40 a week.

Now, the total of those persons is 14,850. But as I say, it includes, I am told by the officers of the commission, a majority who do earn much more than that figure. Perhaps it would have been more helpful if the thing had been broken down, but it is not.

The number of persons in (a) and (b), that is those who were earning more than $5.40, and those earning that or less, I have not got. For instance, if a person under sixteen years of age works and earns say $15 a week he will still be in this class. If he earned only $5.40 he will also be in class "O", both on account of his wage and on account of his age.

I am told by the officers of the commission that most of those who earn $5.40 a week

are working in part-time employment. If an older man, a pensioner, for instance, works here and there casually on a part-time basis for a couple of days he may earn in the week a low wage of $5.40, but that does not mean that he has been working a full week. In other words, it is not the rate of earnings per week that determines the class of contribution, but the actual earnings in the week. That, of course, gives a different complexion to the situation. Perhaps it does not meet the argument in principle that my hon. friend was making, but I simply do not agree with the argument that he was making.

It would be interesting to know that the people in the first five groups represent but 3·5 of the working insured group—

Mr. Knowles: The first five groups on the old basis?

Mr. Martin: On the old basis. For instance, without going into all of the figures, the group in No. 1 is 6,600; whereas the group in No. 8 is 1,780,075. Therefore that gives a picture which had not been given earlier. It shows that the situation is not exactly as previously argued.

Mr. Knowles: Has the minister figures for each of the groups? If so, will he put them on the record?

Mr. Martin: Well, in "O" group it is 14,850 with the explanation that I have given, including those below $5.40 and the greater majority who are earning over that in a week. In the first group, 6,600; in the second, 7,700; in the third, 16,500; in the fourth, 40,150; in the fifth, 147,675; in the sixth, 303,050; in the seventh, 433,400; and in the eighth, 34 and over, 1,780,075.

Mr. Knowles: Just a word. I am glad the minister did make that correction with respect to the information that was given me before recess. All the information that I had to go on was the figure which the parliamentary assistant had given me. We now have it clear that that 14,850 includes people getting $5.40 a week or less, and people sixteen years of age and under—or is it under sixteen years of age—regardless of their income? The minister will admit that it is still the case, using the argument that I was making before recess, that $125,000 or more is to be taken from two groups of people, namely, those making $5.40 a week or less, and those under sixteen years of age. I submit that there is nothing very high sounding about that. Certainly that is no basis on which to try to meet the needs of the unemployed at the present time.

I am glad that the minister has given us the figures in those various groups. I am also glad that he is prepared to give us the total amount of expected revenue some time during the evening. It will be possible for me now to take the figures of those various groups and multiply them by the average of 6 cents a week and find out for myself about how much it is expected will be brought in. I think it is only fair to the house and to the workers of this country to show the relationship between the extra amount of money the workers are being asked to pay this year and the extra amount that is to be paid out by way of supplementary benefits.

Mr. Browne (St. John's West): May I ask the minister whether the figures given on page 2 would not represent the total amount including the one cent additional paid out.

Mr. Martin: Yes.

Mr. Browne (St. John's West): Perhaps the minister would like me to help him out in the question asked by the senior hon. member for Hailfax about the amount that will be paid by the 90,000 new people who will be brought under the act by extending the benefits from $3,120 to $4,800.

Mr. Martin: I have to give that later.

Mr. Browne (St. John's West): I will tell you what it is because it is very simple to calculate. On the basis of $1.08 a week and 90,000 people it would amount to nearly $100,000 a week. There are 52 weeks in the year, therefore the total would amount to about $5 million.

Mr. Martin: That is part of the story, yes.

Mr. Johnston: Before I would be in a position to agree to the passing of the section I would have to have the information that has already been asked for by other hon. members. I do not want to repeat it. It was my intention to ask a question that has been asked several times, namely, what is the total amount of expected revenue that the extra cent will bring in, and then the amount that is expected to be paid out to the recipients who come under the section. Perhaps it is the minister's intention to let the section stand until such time as we get the information. It would hardly be fair to ask us to pass this section until we have the information. Certainly I cannot agree to that. I should like to have the information, and then we could pass the section.

Mr. Martin: I hope to give it later.

Mr. Johnston: Would the minister let it stand until we get the information?

Mr. Martin: We can pass it and get it later.

Some hon. Members: Carried.

Mr. Johnston: No.

Mr. Martin: I will give it later in the evening.

Mr. Drew: Does the section stand in the meantime?

Mr. Martin: I think we ought to pass it.

Mr. Drew: Not if there is something relating to it which has not been given.

Mr. Knowles: May I give the result of the multiplying I have just done? The minister gave us the total number of people in each of the categories, on the old basis. I have taken the figures he gave for classes one, two, three and four, up as high as $14.99 a week, and I have added them together. They come to 70,950. The average increase of the rate to be paid by that 70,950 is one cent a day or six cents a week or $3.16 a year. Multiplying 70,950 by $3.16 we get the figure of $224,202. Now, we have already cleared about the $125,000. That comes from those earning $5.40 a week or less, and those under sixteen years of age, whatever they are making. So, all told, we have those who earn less than $15 a week and those sixteen years of age or under contributing a total of $349,202 into this fund out of which the proposed supplementary benefits will be paid.

The Chairman: Shall the section carry?

Some hon. Members: No.

The Chairman: Shall the section stand?

Some hon. Members: Stands.

Mr. Martin: Carried.

Mr. Drew: Stands.

The Chairman: Stands. Section 4—

Mr. Martin: We ought to deal with the section. I have said I will give the other information. It is not germane to this section. It is germane to the whole amendment, and later in the evening I hope to have it from the commission. Meantime I think we ought to pass it.

The Chairman: Shall the section carry?

Mr. Graydon: This section should not carry because, while we cannot offer an amendment to this section which would be acceptable under the rules, still there are many members in the committee who would like to vote against it and, so far as contributions are concerned, have it revert to the original position. If it cannot be carried with the consent of all the committee—

Mr. Martin: I have already indicated that it has been approved by the advisory committee, so far as the equalization principle is concerned. If the hon. member wishes a vote, then we will have to vote upon it.

The Chairman: Does the section carry?

Mr. Graydon: On division.

Some hon. Members: No.

The Chairman: The hon. member for Cape Breton South.

Mr. Gillis: I think that this is the root of the whole bill, and that we should have more information. When this act was first passed it came before the house for analysis, and went to a committee. After much work in committee it came back to the house.

In changing the basis of contribution the minister has asked us to vote on that change with practically no information as to how he arrives at the figures he has given us. In my opinion this is not insurance any more; it is an indirect levy. It is taxation.

The minister also states that the advisory committee had looked at this and approved. The act does not indicate that; but there is a section in the bill which definitely sets out that the committee were consulted. So far as I am concerned, the meagre amount of benefit in this for those who are affected by prolonged unemployment is overshadowed by this inequality in the matter of imposing the rates on the lower income groups. As one member who would like to see this bill go through for the benefit of the unemployed, for whatever benefit there may be in it, I am prepared to say that it should stand and go before a committee for a thorough analysis. I say that because the government is attempting to go right to the roots of the whole Unemployment Insurance Act.

Every time I listen to a discussion of this kind in the house it indicates one thing to me, and that is the necessity of the government getting down to the business of writing an over-all social security act for the people of this country, which would embrace all these things on a contributory basis. With the overlapping of administration costs, and all that kind of thing, this is far from satisfactory. I know it is far from what organized labour in this country is asking. If we close this act now and accept the contributions on the basis the minister is proposing to us, it may be a long time before the act is reopened.

I would suggest seriously to the minister that this be done. If he wishes to go through the rest of the bill he will find it is only incidental. This section is the basis of the whole thing, and we should have a better understanding of it before it passes.

Mr. Isnor: The hon. member for Winnipeg North Centre has criticized the point of view as expressed by me on behalf of the contributing employer group. The hon. member for Cape Breton South states that this is a

direct tax. If he is correct, then the direct tax, in so far as the benefit is concerned, applies only to the employer group because they pay 40 per cent of the total amount without receiving any direct benefit.

In other words, they pay 50 per cent of the amount contributed, to make up the weekly payments by employer and employee. They receive no benefit directly or indirectly from that payment. The government pays the other 20 per cent. That is why I say the employer is paying 40 per cent of the total amount toward an insurance plan which is entirely for the benefit of the employee.

I believe I should put this on record to offset the argument advanced by the hon. member for Winnipeg North Centre respecting the low scale of the smaller group in this scheme. I wonder if he realizes just what type of employee that includes. In the great majority of cases it would be a part-time employee or a boy or girl working after hours. Perhaps they may receive a small amount for working after school hours. Perhaps that is another point which the hon. member for Winnipeg North Centre has overlooked.

After all, there are only three types of insurance in which we are interested. First there is the type which we pay ourselves by way of individual insurance. These are amounts which we lay aside either in the form of investment, life insurance, annuities or some other forms of insurance from which we benefit. In that connection we pay the direct cost.

The second type is group insurance in which both employer and employee participate. The third is the one we are now considering, which comes under the Unemployment Insurance Act, where the employer, the employee and the government each pay a proportion. As stated before, the employer pays 40 per cent, the employee pays 40 per cent and the government pays 20 per cent, which makes up the total cost of the payments. Through the years the employer pays without receiving any personal benefit.

I submit that the group represented by the hon. member for Winnipeg North Centre and the hon. member for Cape Breton South are unfair to the very people they pretend to represent, labour, or at least that is what they tell us. In 1940 and previous years organized labour was in favour of a system of unemployment insurance such as we now have. As far as I know they were 100 per cent in favour of this act. The objections being raised to bringing these amendments into effect come from the group which pretends to represent labour. For the life of me I cannot follow their argument. This should be placed on the record so that the workingman throughout the country will know the position taken by the C.C.F. on this occasion.

Mr. MacInnis: It will need only a short answer to reply to the argument put forward by the senior member for Halifax. The hon. member is correct when he says that organized labour was in favour of the Unemployment Insurance Act of 1940, but this bill is changing that act in regard to a special class of contributors. No evidence has been brought before this committee to show that organized labour either has been advised of the changes or has indicated approval. Unless the senior member for Halifax can bring forward that evidence his argument is so much eyewash.

Mr. Isnor: To answer the hon. member may I say that the employee representative on the advisory committee has seen these amendments and the advisory committee has informed the government—

Mr. MacInnis: We have no evidence that this bill was ever before the advisory committee, or that the committee have approved of it.

Mr. Gillis: The argument just advanced by the senior member for Halifax is really not an argument; it was just wishful thinking. He hopes that someone will read that statement in *Hansard* and fall for it. A great percentage of the people in this country are a little better informed on that subject than he thinks they are.

Mr. Isnor: That is why they do not take very much stock in what the hon. member says.

Mr. Gillis: If it were not for men like myself there never would have been an Unemployment Insurance Act. I can recall sending resolutions thirty years ago to Liberal and Tory governments in this country asking for an unemployment insurance act. That practice was followed through the years. I was a member of this house when this act was brought down and we welcomed it because we realized that this was the fulfilment of 25 years of effort. We finally convinced those in authority that such an act was a good thing to have.

I remember the opposition there was to this act when this House of Commons was lobbied by representatives of the manufacturers association and other agencies which were opposed to the interests of the working people. They have opposed it right through and they still oppose it. Fortunately for the government and for this act there was a war on which looked as though it might last a little while. It was thought to be a good

time to gather a fund against the anticipated depression that would take place after the war.

I have no illusion as to how the workingman feels about this act, but I do not want to get into an argument on that because I am more concerned about this particular measure. I do not want to see the efforts of thirty years chiselled away, perhaps unconsciously, by people who are advocating this bill at this time. I would rather have the old act without this bill.

The senior member for Halifax says that industry contributes 40 per cent toward the maintenance of the unemployed and gets no benefits. He would seem to indicate that they just throw in 40 per cent out of the goodness of their hearts. But at the end of the year when the employer is reckoning his income tax, the total amount paid to the unemployment insurance fund is written off. In the final analysis the taxpayers of the country are making his contribution. If industry did not have an unemployment insurance fund at this time which had been contributed to on a three-way basis they would be paying heavy taxes for the purpose of taking care of the totally unemployed. I just would not want to see this country with the unemployed that we have without this measure to cushion it. It is a good thing for all concerned that the act is there.

There are two main objections that I have. First, the fund was set up on an actuarial basis. The minister is not able to tell us how they arrived at the figures and the chances are that they may upset the actuarial apple cart. We do not want to see that happen. Let us have it understood that the hon. member for Halifax is an employer. He tells us that labour is in favour of this, when the fact is that labour has never seen it. The head of the Canadian Congress of Labour lives in this city.

Mr. Isnor: I said that labour was in favour of the Unemployment Insurance Act of 1940.

Mr. Gillis: This bill is an entirely different thing.

Mr. Isnor: It is on the same principle.

Mr. Gillis: This bill is taking some of the teeth out of the act. The heads of two large labour bodies live in this city but our information this afternoon was that neither had seen this bill.

Mr. Diefenbaker: We did not see it until today.

Mr. Gillis: We got it this afternoon.

Mr. Isnor: Does the hon. member say that the heads of both labour organizations are against this bill?

Mr. Gillis: They have not seen it. They do not know anything about it.

Mr. Isnor: Are they against it?

Mr. Gillis: No sensible person commits himself on something he has not seen. The hon. member for Halifax has failed to indicate that the employer is being relieved of certain contributions by this bill. The $5 per week employee, and there are all too many of them, has to make his own contribution under this bill, whereas under the 1940 act the employer made that contribution. Another thing that must be remembered is that these benefits are going to accrue only to those who have been out of work for a long time or who are on unemployment insurance. I do not think the hon. member for Halifax wants to have his position—

Mr. Isnor: Let the hon. member make his own case; I will make mine.

Mr. Gillis: The hon. member is in favour of the obtaining of $125,000 a year from a group with an income of about $5 per week for the purpose of taking care of an extra problem created by prolonged unemployment. Then there is another $300,000 approximately out of the pockets of the first four groups set out by the minister. The $5 million is additional; that is going to come out of the new group that has been added. Perhaps they can afford it a little better but nevertheless it is an indirect tax. It is not unemployment insurance for that group at all. The executive group is never going to receive anything from the fund. I am sure they will be willing to contribute their proportionate share, but that is the group on which your whole tax structure bears most heavily. They took it on the chin all through the war and they are still taking it on the chin. Now you are going to impose an extra levy on that income group to the extent of approximately $5 million a year in order to take care of the unemployed in this country.

That is why I would like to see it stand. Some people will say that I am not in favour of it. I am not in favour of imposing additional hardship on groups that are in a position where they are less able to bear it in order to get the benefits that are supposed to be contained in this act. I can see very little benefit in it. I suggest we should do exactly the same thing with this bill as we did when the act was first introduced. We should refer it to a committee, call in the representatives of labour and employers as we did before, and get some agreement on the terms of this measure. If we are going to open it up let us do a half decent job. If it takes another week before we can bring it back into the house let us do that so that we will

all understand it. I understand that neither employers nor employees were consulted about this particular bill. They know nothing about it. There are in it one or two items about which they were consulted but which do not mean anything, but they have not had anything to say as to the contributions and how they are going to be applied.

Coming from the province of Nova Scotia, as the senior member for Halifax does, I know that unemployment is pretty bad there, and he and I do not want to disagree on this matter. I should like to see the best possible job done. My experience is that you cannot do a good job in a hurry. This measure has been rushed in here too fast to suit me. Until I have more information as to the bill than I have now I am prepared to vote against it and let the Unemployment Insurance Act remain as it is. I am prepared to have it sent to a committee so that a proper job can be done, which is what should be done if we are going to open up the matter at all. In the meantime let the government do something for the unemployed who are now on the streets and living in missions.

Some hon. Members: No.

Mr. Gillis: If the members to my right and the members over here, with the weight of the machine they have in the house at the present time, want to steamroller this through, that is O.K. with me, but remember you will take the responsibility for it in the future. That kind of thing will boomerang on you. Do not make any mistake about that. In view of the present unemployment situation I think what we should be doing now is to try to do something for municipalities such as Montreal, Vancouver and Toronto, where there is a concentration of unemployed and immediate help is needed.

Mr. Lennard: Hamilton.

Mr. Gillis: Hamilton, Windsor, Sydney, Nova Scotia, Halifax, Winnipeg, although, according to the hon. member for Winnipeg North Centre, Winnipeg is doing something about it.

Mr. Knowles: It is doing better than this.

Mr. Gillis: I think something should be done immediately to relieve the bad spots. In the meantime legislation such as this is something I do not want to fool with. If we are going to open up the act and do something about it I want to see it done properly so that it will have proper consideration.

The Chairman: Shall the clause carry?

Mr. Drew: On division.

Some hon. Members: On division.

Section agreed to on division.

Section 4 agreed to.

[Mr. Gillis.]

On section 5—*Persons to be treated as employers in certain cases.*

Mr. Langlois (Gaspe): Before section 5 carries I should like to ask the minister two questions. In this section we are giving power to the commission to require all employers to see that contributions are paid in respect of their employees. In the explanatory notes relating to the clause I read the following:

> In respect of lumbering and logging, the person so required may be the owner or lessee of the property or timber limits where the operations are carried on with his concurrence.

In my district there are many lumber co-operatives, or forestry syndicates, as we call them down there. They represent groups of farmers and fishermen who in their off season work in the forests for their own co-operatives, incorporated under the law of their province. I come now to my first question. Since in this case the employers and the employees are the same persons, and since these syndicates are co-operatives and are not leasing limits from the provincial government but are cutting lumber on stumpage fees only under the supervision of the forest engineers or licensed scalers of the department of lands and forests, in such a case will the commission ask the provincial government through its lands and forests department to see that contributions are paid by both employers and employees? My second question also relates to the same co-operative system. As I said before, the employers are the same persons as the employees. Am I right in assuming that they will be required to pay dual contributions as employers as well as employees to benefit from the proposed amendments to the act?

Section agreed to.

On section 4—*Recovery of contributions made on behalf of employee.*

Mr. Carroll: Mr. Chairman, I was on my feet to ask a question as to section 4 when it was ordered carried and the hon. member for Gaspe then proceeded to deal with section 5. There is one question I should like to ask the minister as to section 4, and it has to do with subsection 3 of section 19 of the present act, which reads:

> Where the employed person is not paid wages or other pecuniary remuneration by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the employed person and shall not be entitled to recover any part thereof from the employed person.

Is that not a much more favourable clause for the employee than existed before?

Mr. Martin: I think that is right. As to the questions of the hon. member for Gaspe, section 5 is merely one of clarification. The

matter which my hon. friend has mentioned is, I know engaging the serious study of the commission.

Section agreed to.

On section 3—*Rates of contribution.*

Mr. Graydon: I rise on a question of privilege concerning section 3, which was carried a few moments ago. The chairman will understand that a rather unusual situation arose. When the chairman called "carried", a number of us called "on division". Then the hon. member for Cape Breton South proceeded to make some observations, and the clause was finally carried. I want it distinctly understood, so that it will be beyond possibility of any misunderstanding on *Hansard* or in your records, that the section was passed on division. I hope it will be so recorded because I think the chairman will say at once that was said.

The Chairman: There is no record in committee, but it will be on *Hansard*. Shall the section carry?

Some hon. Members: On division.

Section agreed to on division.

On section 6—*Statutory conditions.*

Mr. Knowles: I hope the minister will give us a pretty full explanation of what is happening to section 28 of the original act by virtue of this amendment. This is a pretty important section, since it sets out what are known as the statutory conditions. One improvement has been made, which I commend; those under sixteen years of age will now qualify for benefits if they meet the other statutory conditions. Another change is obviously an administrative matter; that is, doing away with the old paragraph (c). But what concerns me is the fact that now even the first time an employee applies for benefits he will have to have made contributions for 180 days within the last two years, and in addition 60 of those contributions must have been in the immediately preceding year, or 45 in the immediately preceding six months. I think I state it correctly when I say that is a change; that the 60 days within the last year or 45 days within the last six months, in addition to the 180 days in the last two years, were not conditions previously. The 60-day provision was there with respect to a person coming back for benefits a second time, but it did not apply when the first application was made.

Some of the complaints we have been receiving today from representatives of labour because of reports that have appeared in the newspapers have related to this change in the statutory conditions; and this is something pretty fundamental to the act. If I may put it in these terms, these are the contractual conditions under which millions of workers have been paying premiums into this unemployment insurance fund for a number of years. Now one of the basic terms of the contract is being changed, and I should like to know why. I want to know what is the significance of the phrase in the explanatory note to the effect that the substance of the amendment of the statutory conditions concerning the number of contributions has been approved by the unemployment insurance advisory committee. At least one of the labour congress heads in this city complained to me about this very section. I note that the approval referred to is approval of the substance. Apparently these are things which are open to considerable question, and I believe the minister should give a pretty full explanation of this section.

Mr. Martin: As my hon. friend has mentioned, the advisory committee has approved the substance of this provision, which I think will commend itself to hon. members.

Mr. Knowles: Just what does that mean?

Mr. Martin: Exactly what it says. The government has the responsibility for legislation. It has discussed this matter with the advisory committee; but that does not mean to say every letter has to be discussed. This government is prepared to accept its responsibility, but the principle involved in this matter has been approved by the advisory committee.

With regard to the explanation, at the present time to qualify for benefits a person must have made 180 contributions within two years of his claim. On a second or subsequent claim 60 of those contributions must have been made since the commencement of his last benefit year. This provision worked a hardship on persons who became ill, accepted employment in non-insurable industry, or worked on their own account after setting up a claim. The amendment modifies this second condition, and in future a person can qualify provided he has 180 contributions, 60 of which were made within a year prior to the claim or 45 within six months prior to the claim. So it will be seen that the 45 is a relaxation of the 60, and definitely a benefit. In addition the present provision has been further modified so that the period of one year or six months may be extended after periods of illness, self-employment, or non-insurable employment. This modification is the result of representations made by the Canadian Congress of Labour

and has been concurred in, as I stated, by the unemployment insurance advisory committee.

Mr. MacInnis: The minister has said that the latter part of this section, that is the 45 days' contribution in the preceding 26 weeks, is a relaxation that should work to the advantage of a person claiming benefits. That is not what is in the explanatory note on the opposite page. According to that note this is really a tightening up, to provide that the person making a claim will have had more recent employment than might have been the case formerly. Let me read it for the benefit of the minister:

> The amendment would generally require either 60 daily contributions in the last year previous to the claim or 45 during the last six months previous to the claim. This is in order to ensure some recency of attachment to the labour market.

In view of that phrase which has been placed in the explanation the minister's statement seems pretty far-fetched. It is quite contrary to the explanation contained in the bill.

Some hon. Members: Carried.

Mr. Knowles: I want to ask the minister a question about a later part of the section, but I am waiting to see if he has anything more to say about the earlier part.

Some hon. Members: Carried.

Mr. Knowles: If the minister is not going to say anything more I shall just state that this is a section concerning which we will have to say "on division" because I think the explanatory note is closer to the text than what the minister had to say. It seems to me it is definitely lessening the benefits accorded to workers under the act. It is a tightening up. The 60-day provision is already in the act with respect to a person applying for a second benefit; now it is being made to apply to a man applying for his first benefit. That short sentence really tells the story: "This is in order to ensure some recency of attachment to the labour market." In other words the poor chap who has been unemployed a little too long is just out of luck.

Now I want to ask the minister a question about the latter part of this section over on page 4. There are some lines underlined ending with the words "shall not in any case exceed two years." That is a change from the old section, which ended "but so as not to exceed in any case four years." This is the part of the act that has to do with giving employees the benefit of the time they have lost owing to illness, in establishing the 180 days in the previous two years. I have read this over several times trying to straighten it out in my own mind. This is my question: Is there any change in the substantial meaning of that section because the words "two years" appear where the words "four years" formerly appeared? Is it just a case of addition, putting two and two together, or has the right of the worker actually been lessened?

Mr. Martin: Let that section stand, because I cannot give the answer at the moment.

Section 6 stands.

On section 7—*While following any occupation for remuneration unless outside ordinary working hours.*

Mr. Knowles: If the members had been able to see this bill a little sooner, perhaps others would have been able to study it and take more part in this discussion. I should like an explanation of paragraph (d), over on page 5. First of all, I want to say that I approve of the change that is found in line 37 on page 4, where the means test provision for the amount of other income a person can earn has been increased from $1.50 to $2.00.

Clause (d) over on page 5 puzzles me. This clause formerly read as follows:

> (d) On any day of any calendar week during which he works the full working week;

That came under a section which said that was not to be counted as unemployment.

The section now reads as follows:

> (d) On any day of any calendar week during which he works the full working week or four or more days or shifts by reason of a temporary reduction of his working week.

It appears to me as though, whereas an employee could claim a day or two in a week that he lost because of a reduction in work being done as days of unemployment, he now will not be able to claim it if he works four days. I see no indication that this change was referred to the advisory committee.

Mr. Martin: Mr. Chairman, it is proposed, and I now so move, to drop subsection 2 of section 7, and that includes subparagraph (d) over on page 5.

Mr. Knowles: Good.

The Chairman: Shall the section as amended carry?

Section as amended agreed to.

On section 8—*Rates of benefit.*

Mr. Knowles: The part of section 8 which concerns me is subparagraph 2 which says:

> (2) In computing the average daily contribution (a) any contributions paid by the insured person for any period prior to the first day of July, nineteen hundred and fifty-one, at the daily rate of nine cents shall be deemed to have been paid at

the rate of eight cents, for the purpose of computing his rate of benefit for periods prior to the first day of July, nineteen hundred and fifty-one;

I believe I understand that, and there is some logic to it. I take it that the new category that is being brought in, those people who are in the $4,800 class, are being called upon to pay 9 cents a day or 54 cents a week. This provision is to keep them from getting the full benefits that 9 cents a day would normally provide until they have paid into the fund for a couple of years. I see the parliamentary assistant nodding his head that I am right on that.

What about subparagraph (b)? It reads:

(b) One cent shall be deducted from each daily contribution paid by the insured person after the first day of July, nineteen hundred and fifty;

What does that mean, and why is it there?

Mr. Cote (Verdun-La Salle): Mr. Chairman, this cent is calculated to constitute the premium of the insured for the supplementary benefits only. When a calculation is made on an ordinary benefit year, it should be calculated on the basis of the daily contribution he is paying, less the cent he is placing towards protection for the winter months, as provided in part IIA.

Mr. Knowles: I am not as worried about the people in these higher brackets as I was about the people in the lower brackets, but still I do not think that is fair. You establish that the benefits for a person without dependents shall be 34 times the average of the 180 most recent daily contributions paid by the insured person during the two years immediately preceding the commencement of the benefit year, and for a person with a dependent it shall be 45 times such average, less 10 cents from the product so obtained. That has been laid down as a general principle. Then for this group that are earning $48 per week or more, and whom you require to pay 54 cents per week into the fund, you establish a benefit of the same amount as you give to the people who are paying 48 cents a week. Is that correct? You deduct one cent—

Mr. Cote (Verdun-La Salle): That is right.

Mr. Knowles: —from what they have paid, for the purpose of computing the benefit they should receive?

Mr. Cote (Verdun-La Salle): That is for the first year.

Mr. Knowles: There is nothing in 2 (b) which says it is only for the first year. It says:

One cent shall be deducted from each daily contribution paid by the insured person after the first day of July, nineteen hundred and fifty;

For how long does it continue? There is no termination to that.

Mr. Cote (Verdun-La Salle): I have a report of the advisory committee, Mr. Chairman, which deals with the subject being discussed by the member for Winnipeg North Centre. It reads:

The committee has been concerned to see that the contribution and benefit classes should retain the relationship to actual earnings which they had when the act was first passed. It previously recommended the addition of a class 8 and the act was amended to this effect. It now recommends the establishment of a class 9 (in terms of the present numbering) for persons receiving $48 a week or more with contributions and benefits proportionate to those of the present classes. Since, however, benefit rates are now fixed on the average contributions of 180 days rather than two years and the immediate granting of higher benefit rights might occasion a serious drain on the fund, the committee recommends that, though contributions under the new class should start at once, benefits under the new class should be limited to the rates of class 8 until one year after the new class had come into effect.

It will be seen that the report is along the lines of my reply to the hon. member, to the effect that the purpose of this provision was to let the insured in this new higher class contribute for one year on the new rate basis, before he is allowed to receive a benefit on the basis of that contribution.

Mr. Knowles: I can see that clearly as an explanation for 2 (a), but I find it extremely difficult to accept it as an explanation for 2 (b). It says in 2 (a) that if those people who are in this higher bracket, and who have been paying 9 cents a day, claim a benefit any time before July 1, 1951, that benefit shall be computed on the 8-cent basis.

Paragraph 2 (b) appears to be concerned with something else altogether. It comes under the general heading of computing the average daily contribution, and subparagraph (b) reads:

One cent shall be deducted from each daily contribution paid by the insured person after the first day of July, nineteen hundred and fifty.

I do not see any relationship between 2 (a), which sets a deadline for benefits of July 1, 1951, and 2 (b), which talks about this deduction commencing on July 1, 1950, and apparently carrying on forever.

Mr. Cote (Verdun-La Salle): I think this is the appropriate time to show to the committee that there is a real basic difference between unemployment assistance and what supplementary benefits are intended to be in this particular legislation. One cannot be taken for the other. This is noticeable precisely in the subsection to which my hon. friend has drawn my attention. One cent a day is added to the daily rate of contribution across the board for no other purpose than to assure the

entitlement of the insured to the supplementary benefits during the specific period mentioned in the act and under the conditions which are provided.

This additional contribution of one cent a day cannot in any way interfere with the normal administration of the act so far as the regular benefits are concerned. That is why, in calculating the amount of benefit which an insured is entitled to under the act after the new rates have come into force, he has to establish the average of his daily contribution on the new schedule, after deducting one cent from the daily rate of contribution which appears in that new section. I do not know whether I have made myself clear.

Mr. Knowles: You are right. You haven't.

Mr. Cote (Verdun-La Salle): What I want to emphasize is the fact that after July 1 the insured will be paying one cent more to entitle himself to claim under the supplementary benefits legislation, part IIA of the act.

Mr. Knowles: That will go on for all time.

Mr. Cote (Verdun-La Salle): That will go on until parliament decides to modify it.

Mr. Knowles: But it does not apply between now and July 1, 1950?

Mr. Cote (Verdun-La Salle): The contributions on the new schedule will go into force only on July 1. That is why the date has been set there.

Mr. MacInnis: Mr. Chairman, I am not quite sure which of us is confused, the parliamentary assistant or myself. I think that goes for the rest of the committee as well. Will the parliamentary assistant tell us where the one cent a day will go that is to be deducted? Who gets it, and why? It seems to me that the real purpose of this amendment to the Unemployment Insurance Act is to provide work in the unemployment insurance office for people running around looking for cents. Are we to understand also that the funds required for the supplementary benefits are to be kept separate from the ordinary funds of the unemployment insurance commission? If that is so, what is the reason for it?

Mr. Cote (Verdun-La Salle): Mr. Chairman, there will not be any special fund for that. The additional contribution made up of the additional one cent a day by the contributor, either employer or employee, will go to the unemployment insurance fund; but a special accounting will have to be made on account of certain provisions which we shall meet a little later on, and which will be necessary for the adjustment of accounts between the Minister of Finance and the unemployment insurance commission, because, as my hon. friends know, the government is underwriting the commission and protecting the fund to the extent of the losses that may occur from the payment of supplementary benefits over the aggregate of what the addition of one cent a day contribution will bring in.

Mr. Knowles: If ever there was evidence that this is a very complicated measure to bring in, in a rush like this, we have it now. I am trying to get this clear, and I shall ask another question of the parliamentary assistant. Section 2 (a) refers, does it not, clearly day contribution will bring in.

Mr. Cote (Verdun-La Salle): Yes.

Mr. Knowles: I thought before—maybe I was right, maybe I was wrong—that 2 (b) also referred only to those in the 9 cent a day category. I am wondering now—

Mr. Cote (Verdun-La Salle): To all the categories.

Mr. Knowles: That refers to all the categories. At last I understand it.

Mr. Cote (Verdun-La Salle): It means just what it says.

Mr. Knowles: Now that I understand it I am opposed to it.

Mr. Cote (Verdun-La Salle): We know where you stand, anyway.

Mr. Knowles: I ask the Liberal majority that is getting a little fun out of this to take note of it. It means that when an employee applies for benefits and knows that he has been paying, say 7 cents a day, and looks into this act he sees that his benefit will be $18.30 a week. It means that after July 1, it will not be $18.30 a week; it will be the rate for 6 cents a day, namely $15.60 a week. The heads are nodding over there. One Paul is nodding up and down and the other Paul is nodding a different way.

Mr. Cote (Verdun-La Salle): We were not discussing this particular point, excuse me.

Mr. Knowles: It is quite clear now that after July 1, 1950, when you compute the rate of benefit to which you are entitled, the figure you take is not the number of cents per day you have actually been paying in but one cent less. That one cent, as the parliamentary assistant has said, clearly is the amount that they have been paying for this supplementary benefit.

Mr. Cote (Verdun-La Salle): Right.

Mr. Knowles: All right. If the person has been paying 8 cents a day, 48 cents a week, when the time comes to apply for benefit, after July 1, 1950, and he looks at the table and he sees opposite 8 cents, $21, he thinks

that he is getting an increase. He is getting no increase at all. He has to move up to the 7 cent line, and will get $18.30 a week. Similarly, the person who has been paying on an average 4 cents a day or 24 cents a week looks at the table and sees that he is going to get $10.20 a week. Not at all. After July 1, 1950, he has to compute on the 3 cent rate, which means that he gets only $7.50 a week. I am taking the cases with the dependent across the line. Mr. Chairman, I have been fooled again. I thought earlier today when we were presented with the increased premiums in class 3, which some of us opposed, that at least these increased premiums carried with them increased benefits for the unemployed, but now I find that such is not the case at all. You are getting it both ways. You increase the premium because you are out to cover supplementary benefits, but when you come to draw the benefits you do not get the benefits specified for that increased rate but rather the benefits specified for the next lower rate. It is quite a game, if you can get away with it. However, I submit there will be an awful lot of nasty letters complaining about this, once the workers in this country understand it.

I say again that the senior member for Halifax was perfectly right that this whole piece of legislation is one of the things closest to the heart of labour. They were involved in the drafting of the thing. Now these drastic changes are being made, and they have no voice in the matter at all. Look at the time it has taken those few of us who are paying attention to these details to get this point sorted out. Here we are paying for these supplementary benefits two ways: you pay the increased rate of premium, six cents a week more—get that clear; and when you come to claim your benefit you get the benefit, not for the number of cents per day you have been paying, but for the next cent less.

Mr. Cote (Verdun-La Salle): I discussed the matter with the hon. member a few moments ago and I have nothing to withdraw from what I said. However, since then, he has referred to the schedule of the rate of benefits appearing in the bill at page 6. Now that he has referred to that schedule, I would point out that there has been made the precise deduction of one cent which goes direct for entitlement to supplementary benefits. So that if an insured person refers to the schedule which has been prepared for his convenience, and for the service of our administration, he will have no deduction of one cent to make, because it is already made. That is why the highest category, those who make the daily contribution of 9 cents, does not appear in the schedule.

If my hon. friend would compare this schedule he would find that the insured does not lose anything in the amount of benefits to which he is entitled, on the specific daily rate—either 2 cents or 3 cents, or up to 8 cents. He does not lose a penny on it. But he will be paying one cent more to qualify him to get the special benefits involved in part IIA, which will be submitted a little later on.

Mr. Knowles: In the circumstances pointed out by the parliamentary assistant is it not a fact that the 9-cent man looks at the 8-cent rate? There is no 9-cent line in the schedule. And if the 9-cent man looks at the 8-cent line, the 8-cent man looks at the 7-cent line.

Mr. Cote (Verdun-La Salle): The 9-cent man will be entitled to use the 8-cent rate of daily contribution, for the calculation of his benefits, after a certain period has expired. My hon. friend has agreed as to the soundness of letting the insured in the highest category have time to accumulate a certain amount of contribution. That is, on an actuarial basis, for the protection of the unemployment insurance fund.

Section agreed to.

On section 9—*Days not counted for benefit.*

Mr. Knowles: Mr. Chairman, hon. members from all sides of the house, including the hon. member for Spadina at yesterday's sitting, have protested against the 9-day waiting period. I see in line 31 of section 9 a slight recognition of that protest in that the number of waiting days is to be reduced from 9 to 8. My, the Liberals can be so liberal at times! It really should be cut out altogether or, if a change is to be made, surely it is not good enough to reduce it from 9 to 8.

I was pleased to note that when a few moments ago I pointed to one section which seemed to be particularly offensive the minister moved for its deletion. I hope he will move a further amendment at this time to change this 8 days to some lesser number, if the section is to stay at all.

May I call the attention of the minister to the fact that when we reach page 15 of the bill we will find that some recognition of the wrongness of the waiting period has been indicated with respect to supplementary benefits. I am pleased to note that in respect of supplementary benefits a person will not have to wait 9 days after the legislation goes through.

Mr. Cote (Verdun-La Salle): That is specially provided.

Mr. Knowles: Here, however, we are dealing with those older contributors who have been in the fund for a long time. The only concession we give them is to cut the waiting

period from 9 days to 8. Well, it has taken us 10 years of arguing to get that down, and perhaps it will take quite a while to get it any further—unless we can get it down further right now. I hope there is support in all quarters for my contention either that the waiting period be cut out altogether or that the number of days be reduced. I am hoping the government may propose an amendment to do that right now. I would do it, only it would cost money, and as a private member I am not permitted to offer such an amendment.

Mr. Cote (Verdun-La Salle): This matter respecting the modification in the waiting period has been in the minds of many people, and the commission has given it study. I believe that in a few words I can give a pretty accurate survey of the situation in that respect.

Representations have been received from time to time to reduce the waiting period, and this has been considered by both the commission and the advisory committee on several occasions.

In its report of the 27th July, 1949, the advisory committee states:

> The committee is favourable to such a reduction from 9 to 6 days when it can be done with financial and administrative safety and it has asked its actuarial adviser to report to it on this matter at a meeting to be held later in the year.

Since that time, a report has been received from Mr. A. D. Watson, the actuarial adviser, department of insurance. Mr. Watson's report indicated that, in his opinion, a reduction in the waiting period would add approximately 4½ per cent to the benefits paid out, with possibly an addition of up to 10 per cent in the first few years, and recommended against the reduction. It was further pointed out that since the act came into force there were certain unanticipated drains on the fund, such as the payment of benefits to women after marriage, heavier payments than expected to older age groups, and the payment of benefits to persons who had virtually retired from the labour market on pension. He further pointed out that certain amendments basing the rate of benefit on the most recent 180 contributions rather than on contributions made over a period of two years had increased the drain on the fund; and until such time as ways and means were found to take care of these unforeseen problems it would be unsafe to modify the waiting period.

It is pointed out that in many cases claimants do not lose the benefits for these days and the fact that there is a waiting period merely extends the period over which payments of benefit are made. In more than 50 per cent of the claims all of the benefit days authorized were used up even with the nine-day waiting period.

It is felt that a reduction in the waiting period would mean a large increase in the number of claims filed. At present, persons who only have a short period of unemployment do not bother to file a claim. There is also a possibility that a shorter waiting period might increase the number of short lay-offs.

Certain provisions of the present bill, it is hoped, will rectify some of the conditions which heretofore have prevented a reduction in the waiting period. If these provisions are found adequate, it may be possible at an early date to reduce the waiting period.

Mr. Byrne: I should like to say something about this waiting period. I think I have had more practical experience with working people than some of my friends across the aisle. I have worked with these people and have gained a knowledge of their desires from that contact rather than from ideological literature. I have heard this question of the waiting period discussed on a number of occasions at union meetings by those who were regularly employed but who might because of certain circumstances become unemployed for a day or two. When that happens usually someone comes along and tells them not to wait, that they should get something back from the unemployment fund, but when this matter has been brought up it has been voted down overwhelmingly.

These men feel that when they are steadily employed it is no hardship to be off a day or two and that they should continue to contribute to the fund without trying to grasp something back from it as soon as they see one or two days of unemployment ahead. I have found that ever since the act was brought in there has been no great desire to reduce the waiting period, unless it were reduced to permit a person who had a prolonged period of unemployment to receive benefits back to the first day of unemployment rather than to the tenth day. At such times I have heard it said that they should not go after it now but accept the assurance that when a man retires and is still employable he is able to get some benefits in the way of unemployment insurance. These men look forward to that, but they are not quite as avaricious as some people would have us believe.

Mr. Gillis: I have had a little experience with the rank and file of the workers, and I know they are concerned about this particular angle. There are 4,500 steel workers and around 6,000 miners in my constituency. During the recess I attended at a majority of the miners' locals and all the steel workers'

locals and I heard them discuss what they thought would be good amendments to make to this act. One of the things that they stressed strongly was that the waiting period should be abolished. This happened only a few weeks ago.

I did not intend to say anything about this, but I could not let the remarks of the hon. member pass unchallenged. If I did the people who had told me that just a couple of weeks ago would say that I was falling down on the job. I think this waiting period should be abolished and so do the people whom I represent.

Mr. Hatfield: I think the waiting period should be reduced to six days as recommended by the advisory committee. I do not see why this house should accept the recommendation of Mr. Watson. We are sent here to make the laws.

Mr. Cote (Verdun-La Salle): The recommendation of the advisory committee was based on the actuarial advice being favourable to the recommendation.

Mr. Hatfield: This is insurance. What is the employee going to live on during those eight or nine days?

Mr. Cote (Verdun-La Salle): The recommendations of an actuary are of prime importance simply because this is an insurance scheme.

Mr. Hatfield: If you have a sickness insurance policy and are taken sick you do not have to wait nine days.

An hon. Member: Yes, you do.

Mr. Knowles: It seems to me that the memorandum read by the parliamentary assistant enhances the argument for making a change, at least to the six days recommended, although provisionally, by the unemployment insurance advisory committee. I do not like to speak disparagingly of a civil servant, but I have had occasion to read some of the memoranda and documents prepared by Mr. A. D. Watson. He does not belong to the Department of Labour or even to the Department of National Health and Welfare where they have some good research people.

Mr. Martin: Thank you.

Mr. Knowles: He is in the Department of Finance, and one would almost think that he had been brought up in the treasury board. I have in mind a document that was tabled by the Minister of Labour in response to a motion of mine having to do with the old question, whether or not people on unemployment insurance who are taken ill should be cut off, as is now the case, or whether they should be retained on benefits.

That question was referred by the unemployment insurance advisory committee to Mr. A. D. Watson and he gave them an answer of fifteen or twenty, or perhaps thirty pages. I have a copy upstairs. The only reference in the whole thirty pages, or whatever number it was, to the question referred to him by the committee was a footnote on page three that he did not agree with them anyway. That was the social approach of that particular actuary to this whole problem of social insurance.

I think the department would have done much better to have taken the advice of the unemployment insurance advisory committee. It would have been much better to have referred the matter to the labour congresses or to the manufacturers association, if you will, or even to parliament—really not a bad idea—as the hon. member for Victoria-Carleton has just said. We should not be influenced or governed by the advice of Mr. Watson.

I submit strongly that we should not be satisfied with this small reduction from nine to eight days. The distinction made by the hon. member for Kootenay East between those who are on unemployment benefits for a long period and those who are on for a short period is valid, although he cast a reflection on the request we had made. However, he did come along with us so far as those who had been unemployed for a prolonged time were concerned, because he said that they should get benefits right back to the first day they become unemployed. I am sure that the minister and the department would be well advised to reconsider this whole matter and reduce the waiting period.

Mr. Hatfield: Does a man who lives 30 miles away from the unemployment insurance office have to report to that office in person every two weeks during the time he is receiving benefits?

Mr. Martin: He does it by mail.

Mr. Hatfield: What is that?

Mr. Martin: He may do it by mail.

Mr. Hatfield: Can they do it by mail now? They used to have to report in person.

Mr. Noseworthy: Are we right in assuming that the waiting period has been reduced from nine to eight days, or does this not imply eight days plus the first day of unemployment mentioned in part A? Is the waiting period really to be eight days or is it to be nine days under the amendment?

Mr. Cote (Verdun-La Salle): It is a matter of making the section more operative. No change is being made.

Mr. Knowles: You were zealous in telling me I was wrong. You were very quick in telling me that I was wrong.

Mr. Cote (Verdun-La Salle): It is provided that in all cases, except the two mentioned in the section, the first day of unemployment shall not be compensable. This being stipulated the waiting period will therefore be a total of nine days as under the existing statute.

Mr. Green: Just the same as it is now.

Mr. Cote (Verdun-La Salle): There is no change. The section has been redrafted to make it more operative and to simplify certain difficulties.

Mr. Knowles: I will not withdraw the complimentary remarks I make about the research people in the office of the Minister of National Health and Welfare, but I must withdraw the approving comment I made with respect to the reduction from nine days to eight days. In all seriousness I must protest at the minister and the parliamentary assistant sitting there and letting me welcome a reduction from nine days to eight days when no change was being made at all. All they were doing was dividing it into one day at the top of the page and eight days down at the bottom. That is pretty bad. The hon. member for Vancouver East used language this afternoon that we cannot use, but it is certainly most appropriate.

Mr. MacInnis: This evening is the first time that I have had the opportunity of hearing a representative of labour, or one who claims to be a representative of labour, oppose a reduction of the waiting period. I have before me a list of resolutions received from the British Columbia federation of labour, an affiliate of the Canadian Congress of Labour. I understand that for ideological reasons the organization my friend represents is no longer affiliated with the Canadian Congress of Labour. Among the changes that the British Columbia federation of labour is asking for in the Unemployment Insurance Act is No. 3, that the nine-day waiting period be shortened. So far as I know, at every convention of every labour organization in Canada that is one of the resolutions that are regularly passed. For a so-called representative of labour to refer to us as getting our ideas from ideological sources and saying that is our basis for asking that the waiting period be reduced is enough to make me say that I imagine in their own good time labour will take care of that.

[Mr. Noseworthy.]

Mr. Hatfield: The minister told me a few minutes ago that a person could report by mail now. How often does he have to report by mail, and how many signatures does he have to have on the form?

Mr. Martin: How far is he from the office?

Mr. Hatfield: Suppose he is twenty-five miles from the office.

Mr. Martin: About twice; it depends pretty well on the cost of transportation.

Mr. Cardiff: I should like to ask the minister what extra personnel, if any, will be required to administer the act in view of the changes that are being made?

Mr. Martin: It is pretty hard to estimate. We do not think very many.

Section agreed to.

Section 10 agreed to.

On section 11—*Regulations in respect of special classes.*

Mr. Langlois (Gaspe): Section 11 deals with section 38 of the act. Section 38 of the act empowers the commission to make regulations in relation to some classes of persons. These regulations may be made in regard to—and I cite the act:

> (i) imposing additional conditions and terms with respect to contributions and the payment thereof and with respect to the receipt of benefit,
>
> (ii) restricting the amount or period of benefit, and
>
> (iii) making modifications in the provisions of this act relating to the determination of claims for benefit . . .

Among the classes of persons to whom these regulations apply are persons employed in the shipping industry, or transportation by water as it is described in the act. At first employment in the shipping industry was not considered as an insurable risk or hazard under the act, but I believe it was two years ago that this principle was abandoned by the commission and the act was amended to bring the industry within its scope at the particular request, I am told, of the seamen of the great lakes. The industry was, however, brought under the act under certain restrictions or special conditions. These special conditions are set out at pages 44 and 45 of the regulations and special orders of the unemployment insurance commission made under section 38 of the act. Subparagraph 5 (b) of section 12 of "Seasonal regulations" reads as follows:

> "Seasonal industry" means and includes the following respective industries, which the commission hereby declares to be seasonal industries:
>
> (i) the industry of transportation by water on any of the "inland waters of Canada" as the latter expression is defined in the Canada Shipping Act, 1934, herein referred to as "transportation by water";

(ii) the industry of stevedoring in any of the inland or deep sea ports, herein referred to as "stevedoring."

Subparagraph (c) goes further and says:

(c) "inland port" means a port on any of the said inland waters of Canada.

In subparagraph (d) deep sea port is described as follows:

(d) "deep sea port" means the port of Halifax, Nova Scotia and the port of Saint John, New Brunswick.

In subparagraph 4 of the same section 12 of the regulations made under section 38 of the act it is further said:

(4) The off-season applicable in the case of any such seasonal worker shall be determined in accordance with the following rules:

(a) where the particular seasonal industry applicable in his case is transportation by water, the off-season applicable shall be the off-season for transportation by water, namely, the period commencing on December 16 in each year and ending on April 14 next thereafter.

Mr. Cote (Verdun-La Salle): If I may assist my hon. friend, I suggest that he is not reading from the latest regulations of the commission. These were tabled just a few days ago, and they are dated at the end of last December. The regulations provide that the line of division between deep sea and inland waters is Cap des Rosiers. To relieve the mind of my hon. friend I suggest that this is a matter which might be placed before the commission, which has power under the act to give consideration to any representations of this kind and to submit proposals to the governor in council if special regulations should be found desirable.

Mr. Langlois (Gaspe): To deal with the first point raised by the parliamentary assistant, I was quoting from the office consolidation dated October, 1948, which last night he suggested I should get from the library. In any event, I have not yet quoted anything having to do with home trade and inland waters.

Mr. Cote (Verdun-La Salle): To make the position clear, as far as the act is concerned the consolidation of October, 1948, is the latest; but the latest copy of the regulations dates back to December, 1949, only.

Mr. Langlois (Gaspe): Nothing I have quoted, I am sure, has been amended in the latest edition of the regulations to which the parliamentary assistant refers. I refrained from speaking on the resolution or on second reading because I did not want to delay this important bill. I shall be very brief, but I make these remarks at this point because I do not quite agree with the parliamentary assistant when he says that what I suggest should be corrected with respect to this particular industry can be done only by order in council or by regulations. I am not sure of that; and I do not know how the parliamentary assistant can be sure of it, because I have not yet fully stated my case. If I may be permitted I should like to proceed, and I shall be as brief as possible.

I was saying that we had created a special category for those employed in the inland shipping industry. If during this off-season period from December 16 to April 14 an employee loses his employment, he has to prove 420 contributions instead of the 180 which are asked of those in other categories. I am not sure of this, and I have been unable to check it, but I am told that recently this number of 420 was reduced somewhat but that it is still very much higher than the minimum of 180 days required in other categories.

Now I come to the other remarks of the parliamentary assistant. The inland waters of Canada were defined in the Canada Shipping Act as, at their eastern limit, commencing at a line drawn from Father Point to Point Orient on the north shore of the St. Lawrence. As everyone knows, a year ago this limit was changed and put some three hundred miles further down the river, so that it is now a line drawn from Cap des Rosiers through the western point of Anticosti island to the north shore. That required no change in the regulations, because the regulations accepted the description of inland waters contained in the Canada Shipping Act, and when the Canada Shipping Act was changed this definition was automatically changed in the regulations.

Now I come to my second point. I want to make it clear that my remarks apply to seamen no matter where they come from, as long as they are engaged in the specified trades to which I am going to refer. But while my remarks apply to all those seamen they are made particularly in reference to seamen belonging to my own province. In Quebec we have ships sailing from the inland ports of Montreal and Quebec but going further down than the eastern limit of our inland waters. They go as far as Gaspe, the Magdalen islands, Newfoundland, New Brunswick and Labrador. Quite wrongly, I am convinced, these have been classified as inland water ships. They are not; they are in the home trade. Their officers must have the certificates of competency required for the home trade of Canada. More than that, the men employed on those ships can very easily, as they have been doing for a number of years, find employment during the off season on the St. Lawrence on ships sailing from Halifax or Saint John or Sydney, and even on ships which during the summer months are engaged in the St. Lawrence trade but in the winter

months go to the gulf of Mexico and carry on their trade there. So I say that the risk of unemployment for the men employed in our home trade is not the same as that for those employed in our inland water trade, meaning by that term our great lakes seamen, for instance.

I point out that this situation has created severe hardships in many cases. I feel that, if under this section the commission is to be empowered to make regulations concerning inland shipping, it should be made clear that those regulations are not to extend as they have in the past—unjustly, I say—to seamen engaged in the home trade rather than the inland trade of Canada. That is why I consider it my duty to make these remarks at this stage, when we are discussing the very section which empowers the commission to do the things I am complaining about. I know it might be possible to remedy the situation I have outlined simply by amending the regulations, but I contend that if the commission had not such indefinite power it would not be tempted to pass regulations which would affect our home trade, as it has done in the past.

I have another suggestion to put forward in this connection. When we say that the seamen employed on ships sailing in the inland waters of Canada are employed in a seasonal occupation, and should therefore be asked to comply with severe conditions in order to secure benefits under the act, we are not being fair to these men. We should allow them, before they apply for benefits, to declare themselves available for employment in similar industries, or for employment which can be found for them in other industries.

In order to clarify what I mean, may I cite the example of a cook on a ship. A cook on a ship can be just as good a cook in a lumber camp during the winter months, or any other industry in which a cook is required. Another example is a deckhand on a ship. He is used to doing all sorts of work on the ship, such as handling the cargo and various other deck jobs. Such a man could do similar work in other industries in which employment can be found the year round. The case of motor mechanics is similar to that of men working in other industries whether they are handling gasoline or steam engines. These motor mechanics may be employed on a ship on the great lakes during the summer for example, but that does not prevent them from finding employment in a garage in Windsor, for instance, during the winter, or in any other industry in which motor mechanics are needed. I do not think these men should be deprived of their benefits through the severe restrictive conditions imposed by the regulations, just because they happen to work for five or six months a year in what we call the shipping industry.

The other day I asked an official of the unemployment insurance commission of my province what happened to the employees of summer hotels, such as those which exist in my province. Some of these hotels are operated by the Canada Steamship Lines at Tadoussac and Murray Bay and operate from May or June until September only. Their employees are seasonal employees but because they can find employment in other hotels in other parts of the province or Canada during the winter months they are considered as a regular insurable class. I asked this official why the same thing was not done for the cook, motor mechanic or deckhand on our ships and he had no answer to explain the severe treatment of our seamen.

On many occasions in this house, the senior member for Halifax has mentioned the case of stevedores in connection with unemployment insurance benefits. Recently, I had occasion to join with him in making representations to officials of the government requesting that something be done for them. Surely, those men are eligible for employment during their off-season period in other industries where men are needed to handle heavy cargoes or to perform other work for which stevedores are trained.

As I said, Mr. Chairman, I thought it my duty to make these remarks because I believe it is an important subject. With the decline in our shipping activities, our seamen are finding it difficult to secure employment. I am in favour of the loggers, and the men employed in the lumbering industry in general getting their share of benefits, but I believe our seamen are entitled to the same treatment, because their trade is being severely hit today. I hope these remarks will be taken in good part by the parliamentary assistant, and the minister, as well as the officials of the commission. I hope prompt action will be taken in this respect.

Mr. Hansell: I have been waiting for this clause to be called, because there is a question or two I should like to ask about it. I do not know whether this clause governs those classes that are known as excepted or exempted classes, but I should like to know if the commission has the power to determine what classes shall come under the act and what classes shall be exempted from it. When I refer to classes, I mean people such as I referred to yesterday, hospital employees. They do not come under the act. My question does not concern hospital employees, and

I only use that as an illustration. My question is, does the commission have power to include or exclude those particular people?

Mr. Martin: The commission has power, under section 86 (2), to do that very thing. I recall that, because I was reading it last night. Of course, the recommendation of the commission is subject to the approval of the governor in council.

Mr. Hansell: What is the government's reaction to the suggestion that those classes be written into the act instead of being included by order in council, or upon the recommendation of the commission? I believe the act should be changed every time that is done. I refer to classes of people that might number in the thousands. What I have in mind, Mr. Chairman, is this, and you will appreciate the significance and importance of it: When by regulation, whether it is by order in council or whatever it may be, certain classes of people are compelled to contribute to a scheme of this kind, then we are imposing a form of taxation. Some other terminology can be used if one desires, but that is what it is. In principle, therefore, you have a small commission authorized—we shall at least give them this benefit—to recommend to the government, and then the government, by order in council, takes the authority of imposing what I am going to call taxation. So far as I am concerned, that is what it is.

Now, I do not agree with that principle. I believe that action of that sort should be taken by parliament. It is for that purpose the members are here. I should like to know what the government's answer is to the question of why these classes cannot be set out in the act, and the act changed from time to time as required.

Mr. Martin: I must confess that there is a good deal of merit in what my hon. friend says, but he does not state the whole case, although that part of it which he has stated has been well stated. As he knows, classes have been brought in by the commission, subject of course to careful investigation and consideration by the governor in council. These things are not done lightly. For instance, the lumbering industry was brought in, and today I announced the order in council confirming the recommendation of the commission in that regard. Parliament was sitting, of course, and I was able to table the order in council and make a statement.

I should like my hon. friend to know that when I was going over this measure I was struck with that situation. I am not in a position to take any step at the moment, but the matter will be given further consideration in the light of all the circumstances.

Mr. Carroll: I was about to raise the same question as that raised by the hon. gentleman who has just resumed his seat. My question was in connection with hospitals, which are charitable institutions, and are exempt under the act. I know that hospitals and charitable institutions are exempt under the act. I understand that by order in council or otherwise there is likely to be something, perhaps under the provision of this very section that we are dealing with, so far as seasonal employment is concerned. On two occasions I was given the assurance by the minister, in answering questions put to him by hon. members, that hospitals and charitable institutions were not to come within the purview of this act. Something is said about seasonal employment. I have no doubt that the commission has the power to include seasonal employees who are employed by hospitals and charitable institutions. I only want to say that it will be a real hardship. I do not exactly know how they are going to collect from hospitals on account of seasonal employees. I see some difficulty about that; but even if they had no difficulty about it I am objecting right now to the commission passing any such regulation. My objection may fall on deaf ears because they have the power to do it. But I am objecting on behalf of the hospitals of my province, because there is not one hospital in that province that is making a dollar. They are going into the red every year, and they are supported by the charity of the people. Every year they come around asking for donations from every man, woman and child in the province who has a cent to spare for charitable institutions. It would be a hardship and a wrong to impose upon hospitals down there. I know something about it. I have been chairman of the commission of Victoria General hospital for twelve years. I have connections with some other hospitals in the city of Halifax and also in the constituency I represent. I am only suggesting to the minister tonight that the provisions of this act be not so worked that even seasonal employees of hospitals will come within the purview of the act, thus bringing hospitals within it to a certain extent.

Mr. Martin: As I said the other night, the amendments before us are not intended to cover hospitals and charitable institutions. I need not tell my hon. friend that in another capacity I have a great interest in this matter also.

Mr. Knowles: May I ask the minister whether any regulations have yet been made to implement the additional reference to married women?

Mr. Martin: No.

Mr. Knowles: Can we be given any indication as to what additional conditions will be laid down before married women are qualified for benefits?

Mr. Martin: I cannot give those.

Mr. Knowles: Another blank cheque.

Section agreed to.

Sections 12 and 13 agreed to.

On section 14—*Additional penalty.*

Mr. Green: May I ask that section 14 be allowed to stand? The hon. member for Lake Centre wanted to ask a question on it.

Section stands.

Sections 15 to 18 inclusive agreed to.

On section 19—*Constitution of committee.*

Mr. Knowles: This is a minor point. Perhaps there is no harm in getting it clear. The section formerly read:

The committee shall consist of a chairman and not less than four or more than six other members.

The proposed amendment reads:

The committee shall consist of a chairman and not less than six or more than eight members.

Why the omission of the word "other". It seems to me that the previous wording was clear, whereas there could be a bit of ambiguity in the new wording.

Mr. Martin: We will accept the suggestion.

Mr. Knowles: As it reads now the eight members could include the chairman. I move that the word "other" be inserted.

Mr. Martin: My hon. friend is quite correct. It was intended to be included.

Amendment agreed to.

Section as amended agreed to.

Mr. Martin: May I revert to section 6 and deal with the question of four years?

On section 6—*Statutory conditions.*

Mr. Martin: The hon. member for Winnipeg North Centre asked me a question about four years. I want to assure the committee that the base period of two years can be increased by an extension of, of course, not more than two years; that was the intention. The old section referred to two years and the extension, two years plus the extension of two years equalling four. The new section speaks of the increase only. The two is as intended.

Mr. Knowles: Therefore there is actually no change in the total amount of time involved.

Mr. Martin: No.

Section agreed to.

On section 20.

Mr. Knowles: Section 20 is a new part which has several sections, 87A, 87B, 87C, 87D, 87E, 87F, 87G. I would humbly suggest that you take up each subclause.

The Deputy Chairman: You wish to deal with the various subclauses separately?

Mr. Knowles: Yes.

On section 20, clause 87A—*Right to supplementary benefit.*

Mr. Drew: I notice that this subject was under discussion at the dominion-provincial conference in 1945 and that at that time the Minister of Labour said that 85 per cent was the figure that he expected the dominion government would contribute in cases of this kind. There should be some explanation as to why it is now 80 per cent instead of 85 per cent.

Mr. Martin: Yes. Of course, my hon. friend was not able to be here because of other matters today, and I did deal with that. Our argument of course is that the matter to which my hon. friend directs my attention now is not the same as the matter referred to in the amendment. The matter referred to in 1945 was the matter of unemployment assistance. There was no feature of insurance involved whatsoever. The benefit rate fixed here is in the light of the benefit and the rate of premiums to be paid. The case to which my hon. friend refers specifically has to do with non-insurance assistance to the unemployed, but that is a separate and important matter. The rate fixed here is the one which in view of the premium is intended to be in ratio to the benefit.

Mr. Drew: I do not think the *Hansard* record of that meeting bears that out, because at page 105 of the plenary session of the discussions held in 1945 I find this wording in regard to this particular subject, and it is from the statement by the Minister of Labour:

In the case of an insured person who has exhausted insurance benefits, or who lacks the full qualification for insurance benefits, the scale of assistance would be approximately 85 per cent of the insurance benefit to which such person's contribution class previously entitled him or would in due course entitle him.

I do not think it would be possible for words to make this more clearly applicable to the person who is given insurance benefits than these words which I have just read.

The Deputy Chairman: Shall the clause relating to supplementary benefits carry?

Mr. Drew: I do not think the explanation that has been given answers the words I have just read. The words I have just read make it quite clear that the statement of the Minister of Labour in 1945—and that is the position that has been carried forward—related to those who were under insurance benefits, and those benefits have come to an end. It also applied to another group; that I will of course concede. The remarks made by the minister and which, I understand, he made earlier, apply to that other group, but do not apply to those who are under insurance benefits but whose benefits have terminated. I think there should be some explanation as to why the 85 per cent the government then intended to contribute is not now being contributed.

Mr. Martin: I do not think I can say any more than I have said. I am quite sure if my hon. friend will read the text carefully he will find I am right. Assuming the situation were otherwise, to increase the amount we would have to increase the premium paid. It is thought that the one-cent premium is, in the circumstances, as high as one should go.

Mr. Knowles: I think the minister is really stretching a point when he tries to tell us that the unemployment assistance referred to in the green book of 1945-46 is something totally different from the supplementary benefits offered to the committee in this subsection. The leader of the opposition read from page 105 of the report of that conference. I turn now to page 387, where the prime minister of that day, Mr. Mackenzie King, set out what the government would do. Under the heading "Unemployment Assistance" he said:

> In addition to unemployment insurance, the dominion will set up a system of unemployment assistance under which it will pay benefits equal to 85 per cent of unemployment insurance benefits—

Note this:

> —to unemployed persons able and willing to work who are not entitled, or who have ceased to be entitled, to unemployment insurance benefits.

That is an exact description, to the letter, of the kind of people being covered by the section now before us. They are covering people who are unemployed but able and willing to work and who either are not entitled, or have exhausted their entitlement, to unemployment insurance benefits. Then the same paragraph goes on:

> This assistance will be limited to two years of continuous assistance, but a person will again become eligible for this assistance following an approved period of employment.

So the whole idea that was being put forth at the dominion-provincial conference of 1945 and 1946 under the name of unemployment assistance is precisely that of which we are now getting a partial implementation. There can be no argument about it at all. The idea then was the extension of unemployment insurance, and it was noised from one end of the country to the other that that was one of the things the dominion was prepared to do, namely to recognize its responsibility for the employable unemployed.

Because of that promise we have been pleading for it ever since. Now we have a partial recognition of it in the measure before us. When we point out it is only partial the minister tries to say it is something different altogether. That is just skating around it. The fact of the matter is that the offer then was 85 per cent, continuous for two years. We are getting in this section 80 per cent with a three-months limit. I say the minister should give a better explanation as to why we are getting so little of what was promised.

The Deputy Chairman: Shall section 87A carry?

Mr. Diefenbaker: Oh no. I raised this point this afternoon, and last night.

Mr. Martin: May I just make this observation—

Mr. Diefenbaker: All right.

Mr. Martin: From expressions which have been made I know the house generally is anxious to do everything possible to ensure that we are in a position to make payments by March 1. In order to do that I should point out to hon. members the desirability of having this measure passed tonight, if it can be done. The only reason I am now rising, in addition to saying what I have already said, is that I am sure, Mr. Chairman, we are quite out of order in discussing this particular phase of the matter under the section before the committee. We are now dealing not with classes but with the rate of benefit to be given to these classes. I submit with great respect that the discussion is not in order.

Mr. Diefenbaker: Mr. Speaker held it was in order when he was in the chair, and permitted a full discussion on the subject. I listened to my hon. friend this afternoon

expounding on the necessity for social security, with which all of us agree. But he rather upbraided some of us for daring to make any criticism of what is being done here, a criticism designed to improve the situation. I could not help remembering, Mr. Chairman, that that solicitude was not quite so definite in 1935 as it is today.

The Deputy Chairman: Order.

Mr. Diefenbaker: Well, Mr. Chairman, I am going—

The Deputy Chairman: I am sorry to interrupt, but I must remind the hon. member that speeches in the committee of the whole must be strictly relevant to the item or clause under consideration. I do not think that when the hon. member talks about the solicitude of the minister in 1935, or some other year, he is in order. I know the hon. member wants to co-operate and to see that this measure is dealt with as rapidly as possible. I know he will confine his remarks to the section under discussion.

I have heard several references to the green book the hon. member has on his desk, and I have allowed a certain latitude when references have been made to it. I think now, however, that enough latitude has been granted, and that from now on I shall ask all hon. members to restrict their remarks to the section under discussion.

Mr. Diefenbaker: Mr. Chairman, with all the deference that I can impart to my words, I am in entire agreement with you as to the necessity of confining the discussion to the issue. However, I do object to the minister's attitude, that the discussion is to be limited because of the fact that he wants to have this passed tonight. So do we. But that does not discharge our responsibility to pass a section such as the one in question without a proper and complete discussion. I point out, as did the leader of the opposition—

The Deputy Chairman: I am sorry to interrupt the hon. member again, but he knows that while I have not made a ruling I have asked him to co-operate with the committee. Now he is trying to discuss again the attitude of other members in the committee. Let us begin the discussion of the item, and continue it; that is all I am asking the hon. member to do.

Mr. Diefenbaker: Well, Mr. Chairman, I shall read the section—because I doubt whether the section has been read by some. It states:

> Every person who proves in the prescribed manner that he comes within one of the four classes . . . shall . . . be entitled to receive payments (in this part referred to as "supplementary benefit") at weekly or other prescribed intervals, at such rates and for such duration as authorized by this part.

I am directing my attention to that particular portion of the section. In 1945 the period was to be for two years. In 1945 no levy was to be made upon anyone. In 1945 the government undertook to make payments without a levy and that is why I am discussing the promises made in 1945 and indicating that the implementation in 1950 is not in accordance with the representations made in 1945.

In 1945 the Minister of Labour undertook—this may be found at page 105—that there would be no levy, that this system of benefits would be paid for by the government, by the people of Canada as a whole. I am pointing out that what is contained in section 87A is far removed from the undertaking made in 1945 to the provincial governments by the Minister of Labour.

I also point out that, call it what you will, it is not unemployment insurance; it is merely supplementary benefits being paid to individuals who are within certain classifications and which are contributed to, not by those individuals particularly but by all who work. I suggest that section 87A and the succeeding sections do not meet the situation in this country today and will prove to be a hoax as far as the unemployed are concerned. The section merely covers a period of three months at the outset of the seasonal unemployment and that does not meet the situation of the 100,000 in this country who do not come within the provisions of the Unemployment Insurance Act and who therefore do not qualify under section 87A.

We have indicated the attitude of the opposition. We want something done for the unemployed who deserve to have something done for them. The supplementary benefits provided in this and subsequent sections cannot adequately meet the situation today and will prove within the next few months, if the government's contention that this is merely seasonal be not correct, to be a grievous disappointment to those who demand a degree of hope because of the extending and accelerating period of unemployment.

More than that I shall not say, but fulfilling my responsibility as a member I must say that this and succeeding sections, while they may raise hopes, will not justify those hopes in the hearts of the unemployed who are asking for more than is provided by these sections.

Mr. MacInnis: I wonder if sections 87A and 87B could be discussed together?

Mr. Martin: That is satisfactory.

The Deputy Chairman: That is entirely satisfactory, and it would also be satisfactory to discuss the whole of section 20.

Clause 87A agreed to.

On section 20, clause 87B—*Classes of persons entitled.*

Mr. MacInnis: I do not know just how far one can go in discussing this clause if we are to be kept specifically to its exact terms which would have to be your ruling if we followed the strict rules of discussion in committee. It seems to me that I cannot say a word in this regard without discussing what was proposed in 1945, because that involves the principle of supplementary assistance.

The first objection to clause 87B is that it restricts assistance to four classes of people. Unemployed workers who cannot qualify under any of these classes will be just as much in need, and in my opinion just as much entitled to assistance as anyone else. That assistance will have to come from somewhere. As was mentioned yesterday, the logical place for that assistance to come from is the federal authorities. Clause 87B and the rest of the clauses fall short of making the necessary provisions for temporary assistance to the unemployed, leaving out altogether the question of providing work or anything of that kind.

I am quite satisfied that no unemployment insurance scheme established on an actuarial basis could take care of all the unemployed. In order to have a complete unemployment insurance scheme there must be unemployment assistance provided outside the Unemployment Insurance Act. That is where the government has fallen down. I agree with the hon. member for Lake Centre when he says that this is really a hoax that is being played on the working people and on this house as well.

Mr. Browne (St. John's West): Could the minister state what the contributions were in December and January and what benefits were paid out?

Mr. Martin: I will give that information before we have finished.

Mr. Blanchette: Clause 87B reads:

The classes of persons entitled to receive supplementary benefit are as follows:

Then classes 1 and 2 are set out, and then follows:

Class 3—A person who, for not less than ninety days within any period of twelve consecutive months falling within the eighteen months immediately preceding the date on which he makes a claim for supplementary benefit, was employed

(i) in lumbering and logging in any area of Canada.

I should like to make certain representations on behalf of certain Canadians residing in the eastern townships who spend most of their time carrying on logging operations in the neighbouring states of Vermont, New Hampshire and Maine. A large number of men in my county spend the greater part of the year in those neighbouring states, and the same applies to at least twelve or fifteen other counties in Quebec and I believe also to some counties in New Brunswick.

I realize that those persons make no direct contribution to the Canadian economy but they do a great deal in the way of bringing back American dollars. They also assist the Canadian economy by helping to produce logs in those states which supply the demands of our Canadian mills. Therefore I feel that the greatest consideration should be accorded to these lumbermen who come from at least fifteen counties of the province of Quebec and who spend the major portion of the lumbering season in these states. Once again I can only repeat that they have greatly assisted the Canadian economy by the provision of United States funds to Canada, and also by the provision of raw material to some of our Canadian mills.

Clause 87B agreed to.

On section 20, clause 87C—*Rates of supplementary benefit.*

Mr. Knowles: I wish to say once again that I do not feel satisfied with the 80 per cent figure proposed in clause 87C. I shall not go back again to the 85 per cent figure that was mentioned in 1945. I want to deal with the 80 per cent figure on its merits. I feel that the hon. member for Vancouver East has stated the matter very clearly. We have got to have something more than this if we are going to provide the adequate assistance that people need in times of unemployment. In fact this sort of bill underlines the growing need in this country for a piece of legislation that will provide over-all social security. This piecemeal business simply is not adequate, but in terms of unemployment insurance surely we all recognize that what we need to aim at is a measure that will provide for the unemployed person insurance benefits as long as he is unemployed. The opinion that after a certain period of time it is good for his soul in some way to have his benefits cut down to 80 per cent, and that later on it is good for those benefits to be cut out altogether, is something parliament should not stand for at all. Amongst other things it has the effect of depressing wages.

I feel strongly that ways and means should be found to maintain supplementary benefits at the full amount provided in the earlier part of the act. Let us not feel satisfied. I suggest to the Liberal members of the house, who are trying to get this measure through, that they will rue the day they were so enthusiastic about it. Just wait until July—their supporters back in their constituencies will use the language the hon. member for

Vancouver East has used tonight and say that a hoax has been put over on the working people of the country. A measure of this kind will not be satisfactory until it is recognized that it is just as hard to keep body and soul together after the normal period is exhausted as it is during that period, that it is harder still to do so when the benefit has been cut to 80 per cent, and harder still when the benefit has been removed altogether. We have no option but to agree to the passing of this section. We would not for one moment agree to anything less but we certainly protest against it.

I do not know whether or not this might be a good place for the minister to answer the questions that he has promised to answer. I suggest it is because one of them is related to this section. We have asked two main questions. What will the increased rates, provided for away back in section 3, bring in by way of revenue? The other question is what will the payments made under clause 87C amount to for the current year? Perhaps the minister might be prepared to give that information now.

Mr. Martin: I am watching the clock because my primary concern, as it is the concern of all hon. members, is to make sure that we can make these benefits available as soon as possible. My hon. friend says they are inadequate. He has used other words, but to the extent that they have any value in his judgment I am sure he wants to get them out as quickly as we can. That is why I purposely refrained from answering a lot of things that could easily have been answered.

Mr. Diefenbaker: That is not in accordance with the facts.

Mr. Martin: That is the reason why.

Mr. Diefenbaker: You said you did not have the information.

Mr. Martin: Let us keep our tempers under control.

Mr. Knowles: As the Secretary of State for External Affairs would say, it is time for a cup of tea.

Mr. Martin: I told the house earlier, with the qualification I have mentioned, that we would endeavour to give the estimates the commission has had in arriving at the proposed formula. It is thought that we might be able to pay benefits if it were necessary, for instance, to 80,000 persons, and I am taking that figure of 80,000 as a fixed figure for the whole period of three months. The distribution would be approximately $34,320,000. Hon. members may call that a hoax, but it is a substantial sum of money.

Mr. Knowles: Let me—

Mr. Martin: Let me finish so that we can get the full picture.

Mr. Knowles: What period would that amount be for?

Mr. Martin: Here is the calculation. Let us assume that 2,750,000 insured persons will be called upon to contribute from July 1, 1950 to March 31, 1952, and take from that let us say 100,000 unemployed over the period, because the figure can only be hypothetical, the result would be a total list of contributors amounting to 2,650,000. In the period of twenty-one months at 25 cents per month the figure of 2,650,000 persons would result in an amount of $13,912,500. The employers' contribution would be the same. The government's contribution would be $5,565,000, and the total would be $33,400,000. As must be obvious, these are rough figures. They can only be estimates, and it is not an easy thing to estimate. This is a novel experiment. Payments will be for seven and a half months or thirty-three weeks during the period. The payment to a person for benefits during all that period would be $429 if his rate was $13 per week, and if it was necessary, as I said at the outset, to pay benefits to 80,000 persons for the whole period it would cost roughly $34 million. These are figures that have got to be taken with reservations because it all depends on a whole set of contingencies that may or may not eventuate.

Mr. Knowles: Just to get the matter clear, the $34,320,000 that the minister said it was estimated would be paid out to 80,000 people is for what period? Did he say seven and a half months?

Mr. Martin: Yes, seven and a half months.

Mr. Knowles: In other words, those two figures are comparable. They are for the same period. The $34,320,000 to be paid out is for the month and a half this year, the three months in 1951 and the three months in 1952, and the $33,400,000 to be taken in is for the period beginning July 1 this year.

Mr. Martin: July 1.

Mr. Knowles: July 1 this year and carrying through to March 31, 1952. Therefore they are roughly comparable except that between now and July 1 of this year no additional payments are being brought in. Payments for twenty-one months just about equal the cost for two and one-half winter periods. We have now got what we tried to get earlier in the day. The basis of the table is an attempt to secure an additional amount equal to what it is anticipated the government will pay out as supplementary benefits.

Mr. Martin: An estimated deficit of about a million.

Clause 87C agreed to.

On section 20, clause 87D—*Duration of supplementary benefit.*

Mr. Knowles: Would the minister explain paragraph (c)? I have in mind particularly the fact that as I read this clause the supplementary benefits for workers coming under it, that is people engaged in lumbering and logging, will not apply after March 31, 1951. In other words for that class there seems to be no permanent legislation respecting supplementary benefits, but legislation only for this winter and next winter.

Mr. Martin: Because they will then move into the insured class.

Mr. Knowles: In other words they would get supplementary benefits, but they would get them under class 1?

Mr. Martin: That is right.

Clause 87D agreed to.

On section 20, clause 87E—*Suitable employment.*

Mr. Shaw: This refers to section 40 of the Unemployment Insurance Act, which deals with disqualification for neglecting an opportunity for work or failure to attend a course of instruction. In section 40 repeated reference is made to suitable employment, and they have gone some distance in defining that term. I do not say it is at all clear, but it is defined as being reasonable having regard to both the circumstances and the usual means of obtaining that employment. In clause 87E it appears that we have entirely departed from even that partial definition in section 40 of the act. Now an unemployed person is obliged to take any work which is deemed suitable; it even goes so far as to say he must accept any work he is able to perform. If these supplementary benefits were being given without additional contributions being required from the employees I could understand a more stringent application of this definition, but I can see no justification at all for such application in view of the fact that the employees are buying this additional protection. I am not going to say for a moment that I was ever satisfied with the administration of the act since 1940 with respect to this matter of suitable employment. Some day I should like to see a committee of this house make a thorough investigation into the administration of that section of the act. I do not want to take too much time, but I am registering a protest against this most severe application of the definition of the words "suitable employment".

Mr. MacInnis: Earlier in the afternoon I drew attention to this section as being one of these amendments having far-reaching consequences which, as far as I knew, had not been brought to the attention of the advisory committee or any of the large labour bodies. On this point I must associate myself with the remarks so ably made by the hon. member for Red Deer. The supplementary benefits under this act are being provided by an additional charge on those already contributing to the unemployment insurance fund, as well as by a new charge on teenagers, who are not contributing at the present time. If the insurance officer were a free agent in dealing with matters of this kind, and if he were a man of experience and understanding, he might be able to make a proper and reasonable decision as to what constituted suitable employment. But knowing the pressure that has been brought on unemployment insurance officers during the last few years to insist that people go to work in all kinds of employment that were not suitable at all, I am quite satisfied that the unemployment insurance commission administration is going to be in for a good deal of trouble if this section is adopted as it now stands. I would suggest to the minister that it be deleted and that the conditions governing these supplementary provisions be left as they are at present.

Mr. Martin: So anxious am I to get this legislation through in order that benefits may go to unemployed persons at the earliest possible moment that I propose we drop this section.

The Deputy Chairman: Clause 87E is dropped and clauses 87F and 87G renumbered 87E and 87F respectively.

Clauses 87E and 87F agreed to.

Section 20 as amended agreed to.

Sections 21 to 24 inclusive agreed to.

On section 25—*Coming into force.*

Mr. Browne (St. John's West): Before this last section is adopted, the minister promised to give us certain information, and I wish he would give it now.

Mr. Cote (Verdun-La Salle): The hon. member inquired as to the total revenue to the fund for the months of December and January last, and also the benefit payments made. For December, 1949, the total revenue was $12,533,740.08 and for the same month the benefit payments were $7,177,759.74. For the month of January last the total revenue was $12,025,859.32 and the total benefit payments $11,779,344.89.

Unemployment Insurance

Mr. Browne (St. John's West): I have here the *Labour Gazette* for January, 1950, which gives a registration of 3,594,000 under the Unemployment Insurance Act, while the minister speaks of 2,750,000. What happens to the other 844,000? I am referring to page 139 of this publication.

Mr. Martin: What is the point?

Mr. Browne (St. John's West): The point is that the minister spoke of an insured labour force of 2,750,000 in estimating the revenue that would be obtained from this one cent a day, while according to the *Labour Gazette* some 3,594,000 are registered under the act as employed.

Mr. Martin: The figures I gave were estimates.

Mr. Browne (St. John's West): Then actually almost another million people come under the act?

Mr. Martin: No.

Mr. Cote (Verdun-La Salle): My hon. friend must appreciate the difference between the number of employed insured under the act and the total labour force of the country.

Mr. Browne (St. John's West): But these are registered under the Unemployment Insurance Act.

Mr. Knowles: As a matter of information I should like to ask a question about this section. We have had references two or three times tonight to July 1 of this year as the apparent effective date of some of the operative sections of this act. In at least one case that date appears in the text. Do I understand that it is the intention of the government to proclaim the sections that are to be proclaimed as of July 1?

Mr. Martin: That is right.

Mr. Knowles: It struck me as a strange way to draft it.

Mr. Martin: That is the way the law officers wanted it.

Mr. Knowles: Some of the sections fix that date and it would be confusing if some other date were fixed for the proclamation.

Section agreed to.

The Deputy Chairman: We shall revert to section 14 which was allowed to stand at the request of the hon. member for Lake Centre. Shall section 14 carry?

Section 14 agreed to.

Title agreed to.

Bill reported.

[Mr. Cote (Verdun-La Salle.)]

Mr. Martin (for Mr. Mitchell) moved the third reading of Bill No. 8, to amend the Unemployment Insurance Act, 1940.

Mr. Stanley Knowles (Winnipeg North Centre): I shall not stand in the way of its being read a third time tonight, as is our right under the rules of the house. I am speaking only for myself, but I do want to say that if you ask for third reading tonight, you are doing it over my protest. The reason I am prepared to let the bill be called for third reading tonight is that there is a little bit in it that is good, and no one in the house is going to stand in the way of that little bit of good being made available. But I do protest as strongly as I can against the government coupling with the little bit that is good the objectionable features that we have protested against in this bill.

Mr. George A. Drew (Leader of the Opposition): Before the bill is read the third time, I wish to make it clear that in consenting to the reading of the bill for the third time now, to which consent must be given if it is to be done tonight, it is only for the purpose of making it possible to carry forward the payments that have been mentioned for which the bill provides. It is not to be taken that that implies approval of the way in which the bill is presented, the procedure which has been followed, which has given so little opportunity for adequate consideration of the details of the bill; nor is it in any way to be taken as approval of those parts of the bill to which objection has already been made, and to which there is a continuing objection on our part. I simply place that on record because I do agree that, with whatever limitations there are, it is desirable that the payments the government is prepared to provide, under such limitations as they impose, should go forward on March 1.

Mr. Angus MacInnis (Vancouver East): I am not going to hold up the bill at all, nor am I going to say very much. This afternoon I mentioned what I considered to be the government's—I used language this afternoon which you, sir, made me withdraw, so I shall leave it at that. The ordinary procedure of business in this house requires co-operation between the government and the opposition groups. I understand that this measure was simply to make provision for supplementary assistance to persons who are unemployed for long periods of time and have exhausted their unemployment benefits. To bring before us almost a complete review or overhaul of the Unemployment Insurance Act is something against which I must protest. It is something that would make me

extremely reluctant at any time in the future to assent to anything that this government brings down, until I see in black and white exactly what they want done.

I protest against it in the strongest possible terms. In passing this act, we have done some things today that should not have been done without consultation in a committee, where those concerned could make representations. It is just an insult to the members of this house to bring a complicated bill of this kind before them on such short notice. Even the government sponsors did not understand the bill.

Mr. Solon E. Low (Peace River): I feel that the protests that have been made by the three hon. members who have spoken on the third reading of this bill are well made. My observation has been that since 1945, on all too numerous occasions, the government have brought measures before us with what they claimed was a limited time for consideration. They have pleaded, as the hon. minister pleaded tonight with tears in his voice, that we shut up and let the bill pass. I am serving notice on the minister and on the government not to ask us at any time to give carte blanche for the passage of bills of this kind or for rushing bills of this kind through.

In common with the member for Vancouver East (Mr. MacInnis), I am going to see what is in a bill before I give my consent. I just want to say that I am not going to delay the third reading tonight. If I did the right thing for the people of this country, I would. It is a disgrace the way that sort of thing has been handled in this house during the past five years that I have been here. This is the end of it.

Mr. Ferrie: You would deprive the 70,000 boys of their money.

Mr. Low: I may tell my quick-tempered friend over here that he does not know what he is talking about.

Mr. Ferrie: Don't I? I know better than you do.

Mr. Low: The thing for the hon. member to do is to keep quiet.

Mr. Knowles: Enough has been said, but the statements of the member for Mackenzie (Mr. Ferrie) prompt me to get to my feet again. He keeps talking about the people who might have been deprived had we continued our protests against the small benefits that are going out. We are letting the bill go through because of the small benefits, but let it be understood that the provisions for higher payments into the fund will come into effect on July 1, so next summer when the youngsters in his constituency and elsewhere find that they have to start contributing 18 cents a week to this scheme when they are making less than $5.40, when they come to him to complain, let him nor any other Liberal not pass the buck to those of us who have opposed the objectionable features in this bill.

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

Mr. Martin: In spite of what the hon. gentlemen have said, I simply want to thank the house for its co-operation on this measure. With regard to the misunderstandings and the reference to agreements, I only say to those who have made those statements that I indicated clearly this afternoon what I understood the situation to be. I do want to say that this measure, important as it is, was prepared as a result of careful consideration prior to its introduction here, and it was passed as a result of careful consideration here today. It is a measure of great consequence, and it is because of that that I thank the house and hon. members for their co-operation.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday we shall continue the debate on the address. I was astounded tonight to hear what was said before the passing of this bill. During last session I had the honour of leading this side of the house for the government, and I should like hon. members to know that I do not think anything was done to try to put anything over the opposition. I have been reading over what the Prime Minister (Mr. St. Laurent) said the other night. I did not attend the meetings with the leaders of the opposition, and I cannot say what happened there; but I can assure the house that anything I can do to co-operate with the opposition during the session I shall do with pleasure.

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

HOUSE OF COMMONS

Monday, February 27, 1950

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 9, to incorporate Prairie Transmission Lines Limited.—Mr. Benidickson.

NIAGARA DIVERSION TREATY

USE OF WATER FROM NIAGARA RIVER FOR HYDROELECTRIC POWER PURPOSES

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I should like to table three copies in English and three copies in French of the Niagara diversion treaty, which is being signed in Washington this afternoon by the Canadian ambassador, Mr. Hume Wrong, and by the United States Secretary of State, Mr. Dean Acheson. With your permission I should like to make a short statement on this treaty.

We have been discussing with the United States government the possibility of amending article 5 of the Boundary Waters treaty of 1909 with respect to the use of water from the Niagara river for the generation of hydroelectric power. In these talks we have had the valuable assistance of the chairman of the Hydro Electric Power Commission of Ontario and the chairman of the Niagara parks commission. The discussions have resulted in a Niagara diversion treaty.

The Boundary Waters treaty of 1909 authorized the diversion by the United States of 20,000 cubic feet of water per second, and the diversion by Canada of 36,000 cubic feet per second. Although Canada was thus allowed to use more water than the United States the power produced by the extra Canadian share has been exported to the United States. As a result, each country has had the use of hydroelectric power produced by approximately half of the water made available by the 1909 treaty.

During the second world war, additional diversions of 13,000 cubic feet per second on the Canadian side and 12,500 cubic feet per second on the United States side were authorized on a temporary basis.

The new Niagara treaty reserves adequate quantities of water for flow over the falls and through the rapids, and then authorizes the use of all remaining water for power purposes. Since this water will for the first time be divided equally between the two countries, the United States government is being informed through our embassy in Washington that when facilities have been constructed in the United States to use the full United States share of water, Canadian export licences then in effect will not be renewed unless circumstances existing in Canada at that time make such a course desirable.

It is not possible to say just how much more water this treaty will make available to Canada, since the necessity of preserving the scenic beauty of the falls and rapids is the first charge on the fluctuating volume of water in the Niagara river. However, it is expected that both countries will normally have the use of more water than before. At the same time, the fact that the temporary arrangements agreed upon during the war are being superseded by a permanent agreement will permit the construction of new power plants of the latest design to replace a number of existing plants now in operation which cannot make the most effective use of the available water. For these two reasons, a substantial increase in the amount of hydroelectric power generated at Niagara can be expected once this treaty has been ratified and the new power plants have been constructed.

Nevertheless the demand for power keeps increasing, and this additional Niagara power cannot be expected to meet the full needs of Ontario and New York state. The power requirements of these areas can be met only by the full development of the potential power of the St. Lawrence river. The additional Niagara power should help to tide us over the period required for the construction of the St. Lawrence facilities, but the need for St. Lawrence power is as urgent as it ever has been. The new Niagara diversion treaty does not in any way lessen Canada's interest in, and desire for, early ratification by both governments of the St. Lawrence waterway and power agreement of 1941.

The treaty contains two provisions designed to protect and enhance the scenic beauty of the Niagara river and falls. It calls for early completion of remedial works to ensure an unbroken crestline on the falls by distributing the waters more evenly. It also ensures that the flow over the falls and through the rapids will not be reduced below the amounts

which experience has shown are essential for the preservation of the full scenic spectacle.

I have been advised by the chairman of the Hydro Electric Power Commission of Ontario that this treaty meets with the approval of the premier of Ontario, the Ontario hydro, and the Niagara parks commission.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I feel sure that every hon. member of this house will welcome the statement which has been made with regard to the treaty which is being signed today, not only because it will provide more power for one part of this country, but because of the convincing evidence it offers of the friendly and effective association between Canada and the United States in enterprises of this kind.

I feel sure that everyone will welcome also the statement of the Secretary of State for External Affairs (Mr. Pearson) to the effect that this will in no way be allowed to obscure the immense importance of proceeding with the power development of the St. Lawrence river. This treaty will provide an additional supply of water which, with certain new developments in power plant construction, will be of great help; but at a time when Canada and the United States are looking to the protection of the peace which is the main concern of people generally throughout the free world, I believe it is right to say that there could be no more cogent evidence of an effective working partnership between two countries than the fact that an agreement could be reached for power development of the St. Lawrence, which would add so much to the potential resources of both countries for peace or for any situation that might arise.

TRANSFER OF DUTIES

CENTRAL MORTGAGE AND HOUSING CORPORATION ACT

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to table a copy of an order in council passed on February 23 under the provisions of the Public Service Rearrangement and Transfer of Duties Act, transferring, effective as of January 18, 1950, the powers, duties and functions vested in the Minister of Finance under the Central Mortgage and Housing Corporation Act to the Minister of Resources and Development, as was contemplated by the statute setting up the Department of Resources and Development.

The law officers of the crown tell us that, a former transfer having been made from the Minister of Finance to the Minister of Reconstruction and Supply, whose department ceased to exist when the new department came into being, it is necessary now to have an order in council transferring these functions from the Minister of Finance to the minister of the new department.

Mr. Smith (Calgary West): Mr. Speaker, I should like to ask a question, for the purpose of clarification only. A moment ago the Prime Minister announced that the Minister of Finance has divested himself of certain responsibilities by transferring them to the Minister of Resources and Development, and that prior to that time he had divested himself of those responsibilities by the same method. How can the Minister of Finance transfer to another minister something he has already transferred from himself to that minister? Simple addition would indicate that he had nothing left to transfer after he had done his first job.

Mr. St. Laurent: That was our impression when the statute substituting the new department for the old department was passed, but the law officers of the crown have given the opinion that the order in council which was passed transferring certain duties from the Minister of Finance to the Minister of Reconstruction and Supply ceased to have any effect when the statute under which that department was constituted was repealed. The opinion was that it would be necessary to have a new order in council passed to vest these powers and functions in the minister of the new department. Their opinion evidently was that upon the repeal of the statute setting up the ministry of reconstruction and supply the order in council ceased to have effect, and that the powers and functions reverted to the minister who had first been vested with them by parliament.

Mr. Smith (Calgary West): In other words, there is no intestacy among departments of government.

BUSINESS OF THE HOUSE

QUESTIONS AND MOTIONS FOR PRODUCTION OF PAPERS

Right Hon. L. S. St. Laurent (Prime Minister): Perhaps it would be agreeable to hon. members if, notwithstanding the order made for precedence of the debate on the address in reply to the speech from the throne, we should be prepared to bring down on Wednesday answers to most of the questions which are on the order paper. There are already forty-four of them, and I think most of the answers are ready. If it is the wish of the house generally, we could have

the questions, as well as notices of motions for production of papers, called on Wednesday and disposed of.

NATIONAL DEFENCE

TRANSFER OF ARMY PERSONNEL—HOUSING ACCOMMODATION

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, on February 22 last the hon. member for Simcoe North (Mr. Ferguson) asked the following question, which is to be found at page 128 of *Hansard*:

In view of the fact that soldiers belonging to the permanent army must obey orders and move where they are directed, and there are men in the ranks with families moving to Ottawa, is any provision being made for the housing of these men, or must they continue to seek any shelter they can possibly obtain and pay exorbitant prices? Is any attempt being made to provide dwellings for these people?

In answer thereto I should like to say that the policy of the Department of National Defence is to press forward with the construction of married quarters in more isolated centres. At Rockcliffe, however, because of the number of service personnel employed, 108 houses have already been erected; 200 more are in the course of construction or under contract, and it is expected that contracts for a further 300 units will be placed this year. In addition, the policy is adopted of earmarking some of the houses erected by the Central Mortgage and Housing Corporation in larger centres for service personnel. A large proportion of married service personnel are also veterans and have access to accommodation for veterans. More married quarters in proportion to numbers of personnel have been provided in Canada than in any other country.

REFERENCE TO ADDRESS OF GENERAL MCNAUGHTON TO CANADIAN GEOGRAPHICAL SOCIETY

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. I may say I gave notice of it by letter, but the notice was not long because the subject matter in its full form was brought to my attention only a short time before we met this afternoon. I wish to ask whether the speech made by General A. G. L. McNaughton to the annual meeting of the Canadian Geographical Society in Ottawa on Friday, February 24, was authorized by the Department of National Defence or any other department of the Canadian government. Whether authorized or not, does the government now approve the statements contained in that speech?

Inquiries of the Ministry

Right Hon. L. S. St. Laurent (Prime Minister): I shall have to take the question as notice. I had to be away over the week end, and I have not had the opportunity the hon. member apparently has had of seeing the full text of the address. I asked for it as soon as I received his letter, but the best I was able to obtain was the report in the Ottawa *Citizen*. This it not a full report, and does not contain the paragraph to which the letter of the hon. member refers. I will get the full text. I hope that we may have the opportunity of calling the estimates of the Department of National Defence at an early day, when a full statement will be made as to the matters which apparently were discussed by General McNaughton in his address, and the policy of the government will be outlined.

I may say in the meantime that because of his own personal reputation and the positions he occupies in public affairs any considered statement made by General McNaughton is apt to be given serious consideration by everyone who hears or reads it. This particular statement will receive consideration before the Minister of National Defence makes his statement to the house, and the matters involved therein will be fully dealt with at that time.

VETERANS AFFAIRS

SOUTH AFRICAN WAR—INSCRIBING OF NAMES OF CANADIAN DEAD IN BOOK OF REMEMBRANCE

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): I should like to direct a question to the Minister of Veterans Affairs. As today is the fiftieth anniversary of the battle of Paardeberg, in which the Royal Canadian regiment so distinguished itself, will the minister give consideration to having the names of the 225 Canadian soldiers who lost their lives in the South African war inscribed in a book of remembrance and retained in the peace tower?

Hon. Milton F. Gregg (Minister of Veterans Affairs): Mr. Speaker, I will give attention to my hon. friend's question.

PAYMENT OF BONUS TO EX-PRISONERS OF WORLD WAR II

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Veterans Affairs. It arises out of a number of letters and petitions from army and navy veterans associations as to the adoption by Canada of a system similar to that in effect in the United States, under which $1 a day for the period of their detention is paid to

those who were prisoners in the Pacific or European theatres during the period of the last war, or to their dependents. Instead of asking for leave to table the petitions, I shall ask the minister whether consideration is being given by the government to a similar plan of payment or bonus to veterans of the Canadian army who were prisoners of war, or to their dependents?

Hon. Milton F. Gregg (Minister of Veterans Affairs): The representations referred to by my hon. friend came to my attention for the first time over last week end. I have not discussed the matter with my colleagues; consequently I think the exact answer would be that the question has not received the consideration of the government.

I should add at once that in addition to the views that might be held concerning the use of public moneys for this purpose, I believe that fairly strong exception might be taken to such a step, because of the possible effect it might have on the battle morale of Canadian personnel in any future war.

Mr. Diefenbaker: If the minister will allow me to say so, in the United States those payments are being made out of reparations, not out of taxation.

Mr. Gregg: Without being specific, I would point out that there is quite a difference between the reparations receivable by Canada and those payable to the United States.

LABOUR CONDITIONS

QUESTION AS TO PROPOSALS FOR RELIEVING UNEMPLOYMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask the Prime Minister whether he will consider giving the house a statement at an early date as to the government's proposals for relieving unemployment.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I read with much interest the report of the debate on Friday on the bill to amend the Unemployment Insurance Act. I would commend it to all those who are interested. On the motion for an address in reply to the speech from the throne I outlined the government's policies with respect to what we considered to be abnormal seasonal unemployment at this time. I have nothing to add at the moment to what I then said.

CAPITAL PUNISHMENT

REQUEST FOR SUSPENSION OF PENDING EXECUTIONS

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): Pending the decision of parliament on Bill No. 2, which proposes the abolition of capital punishment, I should like to ask the Solicitor General whether the government will consider suspending executions in Canada, including those scheduled to take place in Vancouver tomorrow morning.

Hon. Hugues Lapointe (Solicitor General): The hon. member was kind enough to give me notice of his question. In reply may I be permitted to say that although proposals to abolish capital punishment have been before this house on previous occasions, we have no departmental record of any request such as that advanced by my hon. friend having been considered in the past.

As the hon. member knows, the administration of justice throughout Canada is in the hands of the provincial authorities; and according to practice the postponements of executions are matters to be considered upon their merits by the courts of the province under section 1063 of the Criminal Code. It is felt that to act upon a mere legislative proposal as though it were a statutory enactment could hardly be justified. To suspend executions in Canada, as requested by the hon. member, in my estimation would be an improper and unprecedented intervention by the federal executive authority under the law as it stands and as it must be applied throughout Canada unless and until it is changed by parliament.

P. E. I. CAR FERRY SERVICE

INQUIRY AS TO TAKING OVER OF NORTHUMBERLAND FERRIES LIMITED BY CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct an important question to the Minister of Transport. Are the Canadian National Railways going to take over Northumberland Ferries Limited, operating the Wood Islands-Caribou route; and if so when?

Hon. Lionel Chevrier (Minister of Transport): The answer at this time is no.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, February 23, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew and the amendment to the amendment of Mr. Coldwell.

Mr. Irvin Studer (Maple Creek): Mr. Speaker, living in a democracy as we do, we appreciate the opportunity of taking part in

the debate on the address in reply to the speech from the throne. Even if it were not customary to congratulate you again on having been elected as Speaker of this house, we should still want to do so, because we feel that while everything may not be all right in the world, with your wisdom and guidance everything is all right in this House of Commons.

I should like also to congratulate the mover of the address, particularly since he is one of us from Saskatchewan. We appreciate the fact that the Prime Minister (Mr. St. Laurent) chose an up-and-coming young man from Saskatchewan to present this motion. We all hope that the ability of the hon. member for Kindersley (Mr. Larson) will become more generally recognized, and that in future he will have the opportunity to be of even greater service to his country.

All who heard the hon. member for Villeneuve (Mr. Dumas) second the motion for the address must have marvelled at his ability to express himself in both languages. As time goes on we hope to be able to do something ourselves in that direction, and reciprocate the kindness French-speaking members have always shown by addressing themselves to us in English when they know we do not understand their mother tongue. The people of Villeneuve also have every right to be proud of their member.

At the same time I should like to congratulate the new minister and the new parliamentary assistants. The people in Maple Creek who have come from other parts of the dominion I know would want me to ask every hon. member to take their greetings back to the places from which they originally came, in almost every part of Canada.

For a few moments I should like to speak about my constituency. Situated in the southwest part of Saskatchewan, it is one of the largest in the settled portion of Canada. If one were to travel every road allowance that has been surveyed in Maple Creek, he would travel one and a half times around the world. It is in the Palliser triangle, which is an area extending from a point in north central Saskatchewan, catching a corner of Manitoba and running on down in a southwesterly direction into Alberta. When it has rainfall it has great production, but unfortunately it experiences dry spells which bring extreme crop failure. This is another of those years during which the people of that area are suffering extremely, not only from drought conditions but also from one of the most severe winters in history.

It is difficult for anyone in this or any other country who has never gone through the experience to comprehend what it means to have no crop. We may have marketing and other difficulties, but when a man is without a crop of any kind of course he lacks the wherewithal to sustain himself, he receives no return for his work of a year or perhaps a series of years, and is unable to carry on. The people in that area who have had no income for years are hoping that both provincial and federal governments will see that this spring they are enabled to carry on and make the contribution to the country that they are able to make when they have good crops. We should do everything possible to assist those people who, against great odds and with the utmost difficulty, have remained in that country, hoping against hope eventually to make their contribution to the well-being of the country. I believe it would be a great help if payments to the farmers this spring under the Prairie Farm Assistance Act were made equal in purchasing power to the payments made in 1939, when the act was brought into operation. I do not think that is asking too much, if by doing so we can place these people in a position to carry on and plant another crop without being in debt before the seed is even in the soil.

It is not my intention to dwell on this point at great length. Not all is gloom and despair even in that area, however. Maple Creek has the best beef in Canada. I have been told by those who should know that if you want a good steak you should go to Maple Creek, where the restaurants serve the best steaks in Canada. My constituency also has some of the best sheep in this country; it has the best light horses; it has the best wheat, with the highest protein content in Canada. It has the best, or almost the best, light honey, as witness what happened to the exhibits from Valmarie and Maple Creek this past fall at the Canadian national exhibition. It has the best water because the king and queen were served with this Shaunavon water during their western trip. In the Cypress Hills it has a provincial park. There is one lake, Lac Pelletier, and that is where I live. It has some of the best educational institutions, at Gravelbourg and other places. In common with the other constituencies in the land it has, without a shadow of a doubt, the best people in the world.

Today this area comes under the Prairie Farm Rehabilitation Act, which has been administered by the dominion government. As time goes on it will be found this area is equal to any other area coming under the operation of the Prairie Farm Rehabilitation Act. When the operations of this act are

finally completed, no one will be standing in this house asking for assistance to the people of my area. We want to look after ourselves; we do not want to be beggars all our lives. We want to have a chance to make our living as the remainder of the people do, and to be equal with all the other people in this Dominion of Canada. I hope that in 1950 the dominion and the province will co-operate in making farming possible in this area, as well as in other areas similarly situated.

I noticed, Mr. Speaker, that there was an amendment and subamendment to the address in reply to the speech from the throne. I believe one part of the amendment called for the elimination of the means test in respect of old age pensions. I believe that everyone in this country, regardless of party, is in favour of the elimination of the means test. If it is to be eliminated and there is not sufficient money available to carry the additional burden of old age pensions, what particular social service could those who moved the amendment offer to reduce the burden of providing additional pensions for the aged? There is only one way of carrying old age pensions without a means test, and that is to increase production. I would suggest to the mover of that amendment that he do everything possible to see that production is increased throughout the length and breadth of Canada, because it is only through increased production that wealth can be made available to pay for the increased social services. If these people desire to be of service to the aged and blind of Canada, and all the others who are in need of assistance, then they can go through this country preaching increased production.

If it is necessary to work an eight-hour day to accomplish that result, well and good. If it takes a nine-hour day, I suggest they recommend that the people work a nine-hour day. If it takes a ten-hour day, they could recommend that the people work ten hours. On the other hand they may wish to recommend that the people follow the example of the farmers and work sixteen hours a day; and no one may be hurt in the process.

From the terms of the amendment, one would think that the aged of this country were in a pitiable condition. It has been suggested that the means test is the meanest test. Can anyone name any other country in the world, under any form of government, that has a better system of old age pensions, or more deductible income in the calculation of income? If so, I wish he would name it. Let us help the aged and the blind, but let us not consider that Canada has been doing something which would not compare favourably with what is being done in any other country. Which country would they care to uphold to us? Time and again during the last session reference was made to England, New Zealand and Australia, as examples that we should follow. So far this session I have not heard a single reference to those countries. Previously it was said that everything Canada should do should be patterned after what was happening in those countries. None of them, however, can meet what Canada has done in the way of social services. Every country in the world has a means test. If there is one which has not, I wish some hon. member would name it. When the means test is removed, Canada will be the first country in the whole world to remove it.

Furthermore, Mr. Speaker, I believe the mover of the amendment was a former premier of Ontario, while the mover of the subamendment, I understand, is leader of a party which has a government out in Saskatchewan with which he would like us to become intimately acquainted, or possibly even adopt. It seems to me that when members in this House of Commons advocate what should be done, they should have at least set an example in their own particular province, over which, at some time or other, they may have had some control, directly or indirectly. In the province of Ontario, the richest province in the Dominion of Canada, we find no supplementary payment for the aged. In Ontario, however, there is a mothers' allowance. Among the needy people in the world there are those who, through some unfortunate circumstance, have lost the breadwinner of the family. In Ontario these mothers' allowances are paid, but with a means test. I suggest that some people should start practising what they preach before they come into the House of Commons and tell us what to do.

Furthermore, out in the province of Saskatchewan, in spite of what happens in Ontario, the old age pensioners receive a supplementary payment of $2.50, but only after a means test. This was set up by a socialist government. It is necessary to undergo a means test before even this sum of $2.50 is paid. The province of Alberta pays $7.50 as a supplementary payment, without a means test. In British Columbia there is a supplementary payment of $10, without a means test. The socialist members from Saskatchewan have been preaching the elimination of the means test, yet there is a means test in that province before the old age pensioners receive that low supplementary payment.

The province of Saskatchewan also pays a mothers' allowance with a means test. It is the lowest mothers' allowance payment made by any province in Canada. These members from Saskatchewan, therefore, must be

talking with their tongues in their cheeks when they come before this House of Commons and try to tell us that they are the only people who have any regard for the rest of the people in Canada.

Again I would say that, when such a subamendment is put forward, those who favour it should practise what they preach. Let us all work together to make it possible for the aged and blind to receive adequate compensation. Let us find ways and means of increasing production, so that the wealth will be available to enable Canada to be the first country to remove the means test.

I believe the subamendment said that the government had failed to take adequate measures to protect civil liberties, and at the same time to curb espionage and other harmful activities of communists and fascists in Canada. If I recall aright, three or four years ago something happened in regard to espionage in Canada. As I recall it, there were some people in the socialist group who, either directly or indirectly, pleaded for the spies who were arrested and brought up for trial. If I do not remember correctly, I suggest that hon. members look at page 5742 of *Hansard* of August 31, 1946, and see what the present minister of health in the Saskatchewan government said about the fellows who were arrested for espionage in Canada; at that time he was the member for Swift Current. Read what he said, and then revert back to this subamendment which suggests that the government has not taken adequate measures to curb espionage in Canada. If it were possible for me to move another subamendment, it would read like this: That the government failed to take adequate measures to protect the civil liberties and at the same time to curb espionage and other harmful activities of communists, fascists and, I would add, socialists in Canada. I will not say that they are the same; I will only say that they are related. Blood is thicker than water. Some of the things that are in fascism are in socialism, and some of the things that are in both are in communism. They are therefore related. As someone so kindly told me yesterday, the farther you are from socialism, the farther you are from communism. I think that is true.

In any event, I heard some explanations from some of those over on the socialist benches last session, and there was an indication of it this year in which they tried to tell us that they were not communists, if I remember correctly. My thought on the matter is this. Why speak about not being a communist if you are not one, or if you have no association with them? Why talk about it at all? One thing I have not heard in this House of Commons is a corking good speech against communism by any of those socialists over in the far corner of the house. I suggest that they can all talk on that subject and make real speeches on the evils of communism. They are certainly the people to do so, because there is not a single subject that has ever been brought before this House of Commons on which they have not been able to give an opinion. I have listened to their profound, pontifical and infallible pronouncements for quite a number of days, and certainly they would be the people to do justice to a good speech against communism.

I noticed that the leader of the socialists over in that far corner was telling us the other day what bred communism and fascism. I ask him what breeds socialism; and if it is not exactly the same thing, I will take back everything I have said. No matter where you look around the world, socialism is out of date and is passing out of the picture; and if there are any people living in this Dominion of Canada who have nothing better than socialism to offer, I think they had better go back to their studies, go through all the history of the world and find out all the causes of everything, including the causes of war; because irrespective of what hon. members over there have been talking about, I hope to have the opportunity some time to show this House of Commons that an "ism" practised somewhere in the world—and that includes the last ten years—has been the cause of every war that we have had. Socialism is out of date. The socialists preach about the benefits of socialism. Where has it ever been in existence long enough for anyone to know whether it is good, bad or indifferent? It does not last. It passes out of the picture, because as soon as people see what it is based on, they begin to find ways and means of discarding it as rapidly as they possibly can. It is something that does not stay fixed. It is like this hybrid wheat that the scientists have produced; they take a parent of one wheat and a parent of another wheat, and cross them. They work for years trying to develop a new variety of wheat. One of their greatest troubles is to have that wheat remain fixed. After a variety is established and reseeded, it reverts to the variety of the one parent or the other. Difficulties have been experienced with this hybrid wheat, just as difficulties have been experienced with hybrid corn in the United States. It does not reseed itself. You always have to go back and get hybrid corn. It is the same way with socialism; it does not stay fixed. I think if these socialists, who I believe are good people, would concentrate their efforts on building up some kind of "ism" that does not have to be imported, it

would be much better. We must import many things, but let us leave those "isms" in the places where they originated. They have no place in Canada.

Mr. Gillis: What happened to the Liberals in England?

Mr. Studer: I will let the hon. member for Cape Breton South (Mr. Gillis) have all the fun he wants to. The other day he was talking about shooting. I should like to have him tell us whom he is going to shoot at.

If we want to nip communism in the bud, Mr. Speaker, I believe the best way to do that is to nip socialism in the bud; then we shall have them both. But in the meantime let no one think that we are just concerned with that. Some of the things that are said about the causes of these "isms" are most certainly true. It is up to us in this democratic country to make sure that the conditions that would bring about a situation of that kind are eliminated.

We have heard some talk about unemployment, and we have heard reasons advanced for it; we have been told that some of it is seasonal, some perhaps otherwise. But if there is one thing that the people of this country should guard against, in my opinion, unemployment certainly is that thing. If there is any anguish in the heart of the father of a family in this country who is denied the right to earn daily bread for his family, it may have unhappy results. I repeat what has been said by many others, that hunger will drive people to do almost anything in an effort to sustain the children who are dependent upon them. Therefore I would advise government, whether it is the government I support or any other one throughout the length and breadth of this country, to let no condition appear anywhere that causes suffering, hardship, privation and the anguish that is in the hearts of those who are not permitted to earn their daily bread. No democratic government anywhere in the world can afford to let a condition such as that exist. The only countries that can afford to do so are the totalitarian countries, the dictatorship countries; because they can take their unemployed and put them in the army or put them in a camp. We do not do that in the democratic countries.

So I say that if you eliminate the causes that give concern and anxiety to the people of this country, you will not have very much to worry about. Every resource of every province should be utilized to eliminate this condition, if it exists—and we have been told that it does; otherwise in the future there will not be any resources there to use.

I believe I heard some talk about employment on farms. We sometimes hear people talking about the movement of farmers to the cities. I believe it is a fact. We have the eight-hour day, the forty-hour week, and two weeks' vacation with pay for our labouring people—and that is a good thing; I want the labouring people to have the best of everything; I want them to have all the purchasing power that it is possible for them to have, because as a farmer I want a place to sell my goods, and if labour has no purchasing power —and it is the biggest consumer in Canada— my goods will not be sold. So I want them to have everything they can possibly have that will increase their health, their consuming capacity, and their enjoyment of life. But if labour can maintain a good standard of living by working eight hours a day and forty hours a week, how long are we to expect the farm boys and their fathers to work from twelve to sixteen hours a day and not have a standard of living equal to that of the labouring people with their eight-hour day system?

In my view one of the greatest difficulties facing Canada today is that people have been drawn away from the farms. The time will come when people may have to go hungry either in this or in other countries. Therefore we have to bring those people back to the farms and improve farm conditions. We have to modernize them and create a love of the soil, something which is missing in this country today. Only love of the soil will enable the farmers to nurture it and to give it the care it needs to keep it from eroding. They must adopt a system of rotation, and care for the soil as they would care for members of their families.

That is what love of the soil means. But it is fast disappearing from this country. So if there is anything any of us can do to keep the importance of farming before the people of this country, and the importance of the growing of food, we shall have accomplished something, we shall have made a contribution to the welfare of our country.

Farming is a way of life—a way I would not exchange for any other way of life. But it is a way of life which many people are exchanging for a substance which they think is a reality, to be found in other forms in the cities and elsewhere. Let us remember that there has never been any record in the history of any country of their having a too prosperous agriculture. There has never been any danger of that; let us keep that in mind, over and above many other things which are not of such great importance.

Many of us in the House of Commons and out Saskatchewan way have been giving a considerable amount of thought and have been pondering ways and means of alleviating conditions, not only in the drought areas

of Saskatchewan but throughout the province as a whole. Everyone in Canada knows that Saskatchewan has problems which are common to no other province. The missionaries who went through that land seventy-five or a hundred years ago came back with reports about it and gave advice to governments of that day as to what they thought, based on the information they had gained and what they had learned from the first settlers, the Indians, about what the country could support in the future. They indicated what in their opinion would be the proper number of people to be allowed to take up land out there, and they made suggestions as to what the government could do about it. They emphasized the danger of over-government—government at too great a cost for the number of people in any given area. Along with other difficulties in Saskatchewan, it is my view that that is one of our greatest problems. We have too much government for our limited population; the people cannot carry the burden of taxation, and financial difficulties follow which are carried to the dominion government.

It will be recalled that in recent years past the government of Saskatchewan came to the dominion year after year, asking for assistance when the province was unable to carry itself. Again we witnessed the same thing at the dominion-provincial conference held here in Ottawa in January, upon which occasion I was privileged to attend. The premier of Saskatchewan placed before the government of Canada the situation in that province, and described the dire need for assistance and additional help. That was found to be necessary despite the fact that for ten years Saskatchewan has operated under prosperous conditions, the most prosperous she has ever known. Yet if after prosperous years the provincial authorities time after time have to come to the dominion to ask for assistance, what is going to happen when conditions change?—because our socialist friends have been saying during the past year that conditions are going to change. In fact I think many of them have developed cricks in their necks from looking around corners in search of the depression they have been telling us about for the last ten years. When it does come—if it does—I hope it will not be a socialist depression. It appears to me we could get out from under any other depression we might get into; but when you get into a socialist depression you are in it until kingdom come.

I have no intention of living in any country in which there is a policy of rationing poverty. Under our system we can produce the goods; everyone knows we can. We may have some difficulty in the distribution of them, but we can certainly correct that condition as time goes on. But the socialist philosophy is "make the rich poor". That is the first thing they talk about. There are too many rich people, they say, and too many poor people; we will make the rich poor—and then everyone will be poor. That is the result.

So we have the provincial authorities coming to the dominion government asking for assistance in the matter of education; asking for assistance with old age pensions; asking for assistance in health measures; asking for road assistance—everything anyone could want, they will be asking for. But do not worry about that, because the socialists in Saskatchewan have a wonderful answer; they are most efficient at spending other people's money. But when it comes to earning any money of their own, that is different!

I suggest there are too many people from the government of Saskatchewan coming down to Ottawa and asking for things—people who have no qualifications except that all their lives they have been making their living with their tongues. They have no callouses on their hands, but there would be some on their tongues, because they do nothing but talk.

Anyone who will take the trouble to look at the order paper of the legislature in Saskatchewan at this time will find one resolution after another asking the dominion government for assistance. If we have to have a government out in Saskatchewan which has no purpose other than that of spending the dominion's money, then I think some thought should be given to correcting the situation which exists out there.

They seem to have plenty of solutions for their difficulties. One of them was to import a bunch of streamlined planners from other countries. They could not spend the money fast enough themselves. There was $8 million in the treasury when they came into office, but they could not get rid of it fast enough, so they got these planners to get rid of it in a hurry. And how they got rid of it!

Ever since they have been in power, taxes have gone up. I am speaking seriously when I say that taxes have increased in Saskatchewan to such an extent that I am seriously considering whether I can continue to farm. Taxes are just as much an overhead on my farm as are any other expenses which enter into the production of the commodities I produce. If these conditions continue to exist, or even grow worse from year to year, I do not know what will happen to the future of that part of our country.

The socialists have offered a solution. The local school districts got into trouble, and the socialists said: Boys, that is not the way to run a school district; the way to do it is to create a large district, so that if there happens to be a crop failure in a local district you will have the larger district to depend upon.

Mr. Wright: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Wright: I should like to ask a question. Who put the larger school unit legislation on the statute book?

Mr. Studer: It was put on the statute book for people to use if they wished; but it was not forced upon them.

So we have this offered as a solution, that if there is a crop failure in a local school district they will depend upon the larger area. But when the larger area has a crop failure, who do they depend upon? Right away they come racing down to the dominion government to find a solution—to get money. There is another solution offered in Saskatchewan in connection with the larger municipal districts. As a result of the possible larger districts they think the solution is automatically found.

It seems to me that some of the people over in Europe worked things out that way, but on a larger scale. In every communist country it was suggested that the solution of the problem was to bring in a larger area. We see the communist people in Russia expanding their influence throughout the world. They are reaching out to other countries. Hitler had the same idea. There is a trend that way in connection with all these isms. They feel that that is the solution for whatever condition that may exist. Perhaps it is and, if so, I should like to see the school districts stay in the hands of the local people because it keeps government close to the people. The farther away the people get from government, the more danger there is for the people. The same with the municipal districts. I should like to keep them close to the people, so that the idea of self-government will remain in their minds. All these local governments should be kept close to the people.

But in the larger economic sphere of the provinces and the dominion perhaps they could be operated in a larger way without placing undue hardship on any one. I think there is a solution for the financial difficulties facing the government of Saskatchewan. History has proved that this province cannot carry its financial economy without overburdening the people with taxation. The quicker a solution is found, the better it will be and it should not be a piecemeal solution. Let us grapple with this thing in its entirety, in its largeness.

I suggest to the province of Saskatchewan and its government that they provide in the forthcoming session of their legislature for a solution to their financial difficulties. I suggest that that solution could be achieved by taking a plebiscite of the people of Saskatchewan as to what they wish to do. Instead of adopting the practice they have adopted in Europe of acquiring more land, I suggest that the province of Saskatchewan give away part of their land. They should take that area up to the third meridian west of Regina and Moose Jaw and apportion it to Manitoba. They should take that area west of the third meridian and apportion it to Alberta. They would thus eliminate the unbearable cost of extra government now in existence with its highest rate of cost in Canada. A great burden would be removed from the shoulders of the people.

Something definite and desperate has to be done. The area apportioned to Manitoba would be similar in character to the farming land of Manitoba. The area that would be apportioned to Alberta would fit into the economy of that province, because it would be the same type of land. The people in the area apportioned to Manitoba would then receive the social services available in that province as well as the advantages of the power development which the people in Saskatchewan now have to go without. The people in the area that would go into the province of Alberta would receive an extra $7.50 per month in old age pensions without a means test as against $2.50 per month with a means test that is now being paid in Saskatchewan.

This would create better conditions in western Canada and I think it is inevitable that it will be brought into effect. You cannot have 800,000 people carrying the burden of a socialist government such as they have to do in Saskatchewan. I cannot see how they can continue to pay the increasing expenses and greater rates of taxation year by year. If hon. members do not believe that, let them watch the tax situation next year under the most prosperous conditions that we have had. Let them note the high rate of governmental cost brought about by the depopulation of the province. We had one less constituency in the last election and we are going to have three less in the next election.

A lot of people who are in governmental service in Saskatchewan should try to be statesmen instead of being merely politicians. Let them do something that will prove to be of real benefit to the people instead of adopting

piecemeal measures. Perhaps some of those gentlemen would not like to be considered statesmen. I understand that the leader out there is more or less of a shrinking violet and might not want to have much fame accrue to him. However, when history is written it will look much nicer if you are considered to have been a statesman in working out the general economy of the country.

The area that would go into Manitoba has the same type of farm land as that province. The people in that area would enjoy lower taxation. Their farms could be modernized as they would have the advantage of the power system of that province. The area that would go into Alberta is made up of the same type of ranch land. The people in that area would have the advantages of the mineral wealth of that province, and the people in the area going to Manitoba would have the benefits of the economy of that province.

Our oil and other mineral resources would be developed as they are not at the present time. The only way oil can be developed in Saskatchewan is to have a tunnel dug under the boundary line. There is a statement in the manifesto, in the handbook or bible of the socialists, to the effect that the C.C.F. will not rest content until capitalism is eradicated from the entire economy, or words to that effect, and I think I am pretty close to the meaning.

If that is the situation how can anyone expect capital to come into Saskatchewan? If you do not allow capital to come in then the state must become the capitalist. How are you going to extract sufficient money from the people so that the state can become the capitalist and develop these oil resources? I like the system we have under which capital can develop oil or anything else and then be taxed according to its production or wealth as is done in any democratic country. In the meantime they talk of safeguarding the natural resources of the province for the people and the oil stays under the ground.

I do not know what kind of arrangement the premier of the province of Saskatchewan made when he went to see the chaps in Wall street or St. James street or Bay street. I do not know whether he told them this, but I wonder if he did not say, "Just disregard this thing about eradicating capitalism; that is just there for the real socialist and fellow travellers because we have to try to satisfy everybody". Even if that was said I still do not think that capital is going to come into that province with the prospects of their saying, "Come into my parlour, said the spider to the fly".

That is one of the difficulties we have out there. We have great overhead in connection with government, a thing that is becoming more unbearable every year through the depopulating that is taking place. This burden is going to increase by leaps and bounds until we will be forced into having two prairie provinces instead of three. In 1895 a proposal was made to Sir John Macdonald that the Manitoba boundary be on the third meridian. In 1901 Sir Charles Tupper had a resolution before the Manitoba legislature which was passed unanimously that the boundary line be on the third meridian west of Regina and Moose Jaw.

Even 55 years ago they seemed to realize what the situation would become in Saskatchewan, and truly it has become the situation.

Mr. Deputy Speaker: The hon. member has exceeded his time and may continue only with unanimous consent.

Mr. Knowles: Oh, no, that is enough.

Mr. Studer: My parliamentary assistant told me that I had five minutes left, but I agree with Your Honour's count. I wanted to say a word about marketing, but there will be other opportunities to deal with that matter. In the meantime I will bring my remarks to a close by suggesting that we all work together to try to make this Canada of ours, which is so great in the eyes of the rest of the world, still greater in the future.

There is one thing that stands out in my estimation of this country. We have the best government anywhere in the world. I believe we have the best opposition anywhere in the world. I believe we have the best socialists of any country in the world. I believe we have in Canada the best Social Crediters. We can work together, and if I may I should like to suggest to our friends of the opposition that they should not get all hot and bothered about these inquiries into various organizations. I suggest that they should not make too much of them, and that they should not launch their lifeboats and man their oars in an effort to try to save all the people who might be harmed by a tempest in a teapot. Every member of the opposition has talents, and I suggest that they use them to help to make progress in Canada.

With all of us working together, including the socialists, there is nothing we cannot do. If we are not proud of our country, all the rest of the world is. In every parliament of the world the Canadian parliament and people are held up as an example for other peoples of the world to follow. We are going to continue to hold the lead by the use of the abilities and talents of all the people so that the rest of the people of the world will forever look to us for their guidance. We are a country that is not encumbered by any of the things that afflict the older countries. We

have the natural resources and everything else that go to make us the greatest country in the world, and every one of us can make our contribution.

Finally, may I say that we have done it all and retained our freedom, something that should not be overlooked in the world in which we are living today. We have maintained our freedom, and in the future we will continue to do so. All our efforts will be directed towards making Canada great and towards maintaining our freedom so that we can be free and strong, because only the strong can be free.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I have listened with keen interest, as I know all other members have, to the previous speaker, the hon. member for Maple Creek (Mr. Studer). He has at least contributed a touch of humour, and indeed it was a touch of inspiration to find there is at least one Liberal member in the house who is going to get definite and desperate. I certainly realize that he will add something to the party to which he belongs. He will give them a little more incentive to be forthright. I followed his speech with keen interest. There was one feature of it with which I can agree, and that is that the debate on the address in reply to the speech from the throne is a matter of great concern. There is no feature of our parliamentary system that is looked forward to with as keen interest or as keen a sense of responsibility as the speech from the throne. It is always cautiously written by the government of the day and is graciously read by His Excellency, our popular Governor General.

I feel that I must join the other hon. members of the house in congratulating sincerely the hon. member for Kindersley (Mr. Larson) and the hon. member for Villeneuve (Mr. Dumas) on the dignity with which they discharged their responsibilities in moving and seconding the address in reply to the speech from the throne. Indeed, each showed marked ability, and I congratulate them and hope that they will be able to render long and useful service either in power or in opposition. On the other hand, I should like to carry my congratulations a little further than was done by other hon. members because it took some skill and ability to find in the speech from the throne, which was so conspicuous for what was not in it, so many reasons for supporting it. In fact it was quite a document. It was full of glittering generalities and boastfulness of the government. It spoke of the splendid demand and high prices for farm products, but it included plans to support prices and take care of surpluses as they arose. It spoke of employment being at a high level in Canada, and of the wonderful times we are enjoying, but it planned also for extension of unemployment insurance. It spoke of controls and the desire for the elimination of controls, but it made provision for more controls. It spoke of the social security that was promised and was said to be ready even before the last election, but it suggested that in the second session of this parliament we should have a committee to investigate whether or not it would be logical to do anything at the next session. Therefore it is a speech which is important from many angles.

Mr. Cruickshank: June 27.

Mr. Rowe: You were lucky last June. It spoke of the responsibility for markets, said that we have had great markets overseas, and that the government took the credit for securing those markets, but in a masterly form of absolution they excused themselves for any of the dangers of losing markets that are confronting us at the present time. The speech from the throne suggests that our unemployment situation is temporary. It was amazing to me to hear the Prime Minister (Mr. St. Laurent) say the other day that the situation was temporary and was caused by too much snow in British Columbia to draw saw logs.

Mr. Cruickshank: That is unfair.

Mr. Rowe: Too much snow in British Columbia to draw saw logs, but not enough snow in Quebec to ride skis. The Prime Minister also suggested, even though he promised the people of the country that dealing with unemployment would be one of the first obligations of the government, that if times get more difficult and the situation is not as temporary and seasonal as he has suggested then it is high time for the municipalities to do something because they are wealthy. He said that if a man who has a white-collar job in an office loses it it is high time that the municipality should do something for him by putting him to work digging sewers or cellars, or constructing sidewalks, so as to give him employment, and that it should be paid for by the municipalities.

Mr. Cruickshank: Why do you not do that in Ontario?

Mr. Rowe: It is a haphazard sketch of the bright spots of the past and it is a negative approach to the dark spots that may arise in the future. I agree with the hon. member for Maple Creek that it is not a good thing to be talking about the dark side of things. He and I, and all others who are farmers, know that we do not believe in talking pessimistically, but it is just as foolish to be one of those types of optimists, like the hon. member for Fraser Valley (Mr. Cruickshank), who do not

care what happens as long as they do not have to pay more. There is no use in facing the situation with such blind optimism.

Mr. Cruickshank: May I ask a question?

Mr. Rowe: Oh, go ahead.

Mr. Cruickshank: Can my friend cite a greater height of optimism than the provincial convention of the Conservative association in Alberta?

Mr. Rowe: I was not talking about that. I was not there and neither was my friend, but I will say that if he had been there it would not have improved the convention. I agree with the hon. member for Maple Creek that this is a great young country. We should be standing on the threshold of the greatest advancement we have ever had, but the country is pleading for leadership and vision that seems to be so conspicuously absent in the present government, as indicated by the speech from the throne. We know now, and the government knows, that we are experiencing a swift loss of overseas markets, a rapid decline in employment, and the uncertainty of the policies of the government as evidenced in every speech we hear made by members on that side of the house, and the changing speeches we hear from the different ministers. This situation has a tragic similarity to the condition which existed about twenty years ago, in 1929 and 1930. It has a tragic similarity, because the first time we lost a major portion of the British market was during the last year this same party was in power before the crash of 1930. In the last year and a half the Liberal government was in power we lost more of the British market than at any time since confederation.

Mr. Warren: Baloney.

Mr. Rowe: You may produce baloney on your farm, and certainly that is all you have given us in this house. We know, and the Minister of Agriculture (Mr. Gardiner) knows, that at this crucial stage in world history we have lost the British market more rapidly than in any previous period; and every hon. member within the sound of my voice fears what will be the effect of the economy of this country. Yet we still hear them harping about the Bennett buggies and the low prices of 1931-32.

Mr. Warren: Why not?

Mr. Rowe: As a farmer the hon. member must know, if he knows anything, that every elevator in the country was full of unsold wheat. That was the position at the time the Liberals went out of power. They knew the depression was on the way, and they slid out in time to absolve themselves from any responsibility for the mess in which they left the country. The farmers of Canada know very well what is happening now. It is quite evident to me, after sitting in this house for a number of years watching the manoeuvres, the inclinations and the trends of Liberal policy. It is quite apparent that the second generation Liberal government is at least consistent in one thing; that is, in its inability to develop and strengthen British commonwealth and sterling area trade relationships.

Mr. Cruickshank: Oh, oh.

Mr. Rowe: My hon. friend laughs; but, Mr. Speaker, the party to your right have been looking north and south for trade instead of east and west all down through the years, as history will show. As evidence of that fact we have the statement by the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin) not very long ago. Speaking in London on December 29, just before the new year, the hon. gentleman said the United States was our natural market. Further he is reported to have said that we are all Americans; that whether we like it or not we are going to have to stay close to the United States; that we are a dollar country and we will stay that way, even if it means paying a little more for our goods. Apparently this is the twentieth century version of the same type of Liberalism that proposed commercial union with the United States in the nineteenth century.

Such disregard for the British and sterling area markets by a government with such a top-heavy majority in this house is to my mind one of the darkest signs on our economic horizon at this time. No hon. member within sound of my voice will deny that this has been our best market for the last hundred years, or certainly since confederation. When I read that speech by the parliamentary assistant I realized that some men are born to greatness, some achieve greatness, and others must surely have it thrust upon them.

Mr. Cruickshank: Some just aspire to it.

Mr. Rowe: And I am afraid you will be aspiring for a long time. Who will say that the sterling market is a joke? Who will try to laugh it off, as the hon. member is doing? Since confederation this young country, the greatest dominion in the British commonwealth, the senior dominion of all, has sold to the British commonwealth and the sterling area $15,000 million more than they purchased from us, while during the same period we bought from the United States almost $11,000 million more than we sold them. That is a difference of $26,000 million. When the job evaluation of those products is taken

into account, our economists tell us that having in mind the more completely processed products that have gone to the sterling area our favourable trade balance with that area has given five times as many jobs to Canadians as the trade balance with the United States. Just look at the rapid increase in unemployment that occurs when our overseas markets fall off.

I urge this house to consider what the loss of those markets would mean; of what vital concern they are to this country, and the unemployment and hunger that will follow if we lose them. For twenty-five years I have listened to members belonging to the party opposite talk about establishing our great national status. I have been hearing that since shortly after the time of the late Right Hon. Sir Robert Borden. I know it was a grand thing for Canada to drop her colonial status; but to listen to hon. members opposite one would think some of us did not know we were no longer colonials. As far as I can see, our status twenty years ago was just about the same as it is now. At that time it was defined by the late Sir George Foster, in Rudyard Kipling's words to the effect that we were daughter in our mother's house but mistress in our own; yet we still hear the Prime Minister telling us of the great thing he has done by removing the colonial status from Canada. You would almost think hungry people could eat this new status; but it won't buy milk for the babies, and it won't give men jobs.

The greatest commonwealth in the world is the British commonwealth. Its leadership in the United Nations is striking proof of that fact. That is why last year I urged that we should try to bring about another commonwealth trade conference. Nothing is more needed today, in my judgment, than a conference between Canada and the sterling area. If we do not do something of that kind, if we do not recover our trade with the sterling area, the hon. member for Maple Creek (Mr. Studer) and his friends in western Canada, as well as those of us who live in the east, will have darker days ahead of us. Those who have been talking about colonial status should have given a little more time to the study of economic statistics, so they might learn something of where we were going.

The recovery of those markets is most essential, though so far this government has refused even to recognize the problem. It has refused to listen to any of the speakers on this side of the house. It refused to listen to my leader and other members of this party who pleaded with the government last year and the year before, and who tried to tell the people the facts during the election campaign.

Indeed, they even refused to read reports issued by their own departments. When the crisis did come, after the election campaign was over, they almost refused to believe themselves.

Mr. Cruickshank: Oh, oh.

Mr. Rowe: My hon. friend laughs; and the louder he laughs the more certain I am that I am right. Speaking at New Westminster, British Columbia, the Minister of Trade and Commerce (Mr. Howe) stated that Canada's post-war domestic economy was expanding so rapidly that we were actually stuck for something to sell on the overseas market. Then in Toronto on June 21 he said:

> Nothing is further from the truth than the Conservative charge that Canada is losing its export markets. Anyone who suggests we are losing our markets abroad and especially our British markets is talking nonsense.

But on December 5 of the same year we in this house read this statement contained in a report by his own department:

> Severe international factors threaten the level of Canada's exports this year. Total exports for the month 19 per cent down.

Then hon. members will recall that on December 8, only three days after that, I asked the Minister of Trade and Commerce whether, in view of the statement made by the Minister of Agriculture as to our rapidly diminishing British market, the government would again consider calling a British commonwealth trade conference. The minister replied:

> I do not know of any rapidly diminishing markets overseas.

This is three days after his own department had told him about it. The unanimity with which these political champions ignore the problem could not have been improved upon, even if they had regular rehearsals during the election campaign. I do believe, however, that the first prize should go to one of them. I do not think anyone could surpass the political versatility of the Minister of Agriculture (Mr. Gardiner). I believe he was the star performer on this travelling stage of champions of trade overseas.

On June 6 at Spy Hill, Saskatchewan, the minister said:

> When critics of the government claim Canada is losing its overseas markets they don't know what they are talking about.

That is a Canadian Press report of June 7.

On June 23, the Minister of Agriculture was reported as follows:

> The Minister of Agriculture tonight said there is no evidence to support the contention of C.C.F. leader Coldwell that Canada is losing the British food market. Mr. Gardiner said the evidence is quite the opposite.

That seems strange, in view of the fact that in Brantford, Ontario, on December 5, speaking at a board of trade dinner, the Right Hon. J. G. Gardiner—I might tell you, Mr. Speaker, that when the farmers of Ontario want entertainment, they send for the Minister of Agriculture, because he always make a good speech.

Some hon. Members: Hear, hear.

Mr. Rowe: I wanted to say something you could applaud.

Mr. Cruickshank: How could you understand it?

Mr. Rowe: I believe the minister has just as much respect for the intelligence of the Ontario farmer as he has for my hon. friend. Speaking at Brantford, Ontario, on December 5, the minister recalled that Canada had become Britain's chief supplier of wheat, apples, pork, eggs and cheese as well as large quantities of beef and milk. He then said:

> During the last two years a very decided official effort has been made to drive every one of these products excepting wheat off the British market. And now that the four-year wheat contract is drawing to a close an effort is being made to drive off a considerable part of our wheat as well.

Continuing, he said:

> Therefore, if Canada's agriculture was to be threatened further in the "cold war" over exchange, even free trade farmers would have to advise all farmers to buy where they could sell.
>
> And the only place where we can sell freely for the time being is in Canada.

On December 10, the Minister of Agriculture, replying to the leader of the C.C.F. party, said that there had been a deliberate refusal by the British government to purchase in Canadian markets. He said:

> When we met with them in the fall of 1947 they said they did not want our food products except wheat. The second time they visited us, in 1948, they included cheese, but they did not include cheese in 1947. They said: "We prefer not to have these products." As a matter of fact, at certain stages they said they would not take these products, and at certain stages we said other things which induced them to take the products.

The minister added that the people of Britain wanted the food, but that government officials were objecting to the contract. They are the ones they are blaming now for the loss of our markets. I am not going to say "we told you so," but the hon. members of this house know the history of that. It is well known that these markets have been lost. It is strange to me, Mr. Speaker, that the Minister of Agriculture knew of those things two years before, but two weeks before the election conditions were never brighter. The Minister of Agriculture and the Minister of Trade and Commerce (Mr. Howe) told the farmers not to worry, everything would be fine as long as they were returned to power.

The Prime Minister (Mr. St. Laurent) himself joined this election chorus of these happy vote hunters, and started out on a similar campaign. I can understand the Minister of Agriculture fooling the farmers, but I cannot understand how he fooled the Prime Minister on this question. Speaking at Moncton on May 19, the Prime Minister assured the good people of that district that his government had been able to find markets for about everything we have to sell. He imagined most of the people felt they could trust the government in the future, since it had been so successful.

The same day at Moncton the Prime Minister said that today the outlook is far brighter than at the end of the war, and whenever there are markets to be found for Canadian exports a Liberal government will find them. These are strange allegations to make, even at election time, when the Minister of Agriculture knew two years before that they were not facts.

On June 13, the leader of our party said that the Liberals were trying to hide the rapid loss of overseas markets, which resulted directly from unsound monetary policies, restrictions, embargoes, and interference with trade generally. He said that the subject was being discussed openly outside Canada, and in a way which was in itself the most severe indictment of the present government. This is the point he made, which I want to urge upon you:

> The Canadian trade picture is deteriorating so rapidly that it is not out of place to suggest that the government sprang the election before the situation became so serious that it could not possibly be returned at the polls. Foreign trade is that important to Canadians and to Canadian politics.

Mr. Cruickshank: How many seats did you get?

Mr. Rowe: I am telling you how you got your seats, by misrepresentation to the public.

I should like to congratulate the Minister of Agriculture, if congratulations are in order in this august body; because, now that the farmers know the truth, they do not love him as much as they love Barbara Ann Scott, but nevertheless for fine figure skating on thin political ice they believe he is without a rival.

It is not my purpose, Mr. Speaker, to rehash what has been said before. It is not my purpose, either, to tell this house what the Minister of Agriculture admits when he visits the federation of agriculture, that these markets are lost. It is not unfair to say that the Minister of Agriculture knows, even if some hon. members do not.

Mr. Cruickshank: I do not know it.

Mr. Rowe: I am not surprised at that, either. The minister has admitted his failure to hold this market.

Mr. Warren: No.

Mr. Rowe: My hon. friend is not admitting it, but he does not know what he is talking about. There are none so blind as those who will not see, but I shall not enter into a controversy with my hon. friend because there are other important matters to discuss. This bulk trading policy has failed, as the Minister of Agriculture knows. His control of lower than world prices for our farmers, to ensure stability of markets in peacetime, has cost the farmers of Canada more than the billion dollars which we anticipated. Everyone in Canada knows that.

Mr. Gardiner: You cut your colleague's figures in two.

Mr. Rowe: I have heard your figures before, and you can still fancy-skate on figures.

This novel experiment has been a costly nightmare for our farmers, destroying their chances in markets at world prices. It is now losing the stability of markets in the country favoured with those low prices at that time. The Minister of Agriculture has at least distinguished himself as the greatest gambler in the marketing of farm products this country has ever known.

It is not surprising to find, in spite of the applause and catcalls of those who do not understand, that the parliamentary assistant to the Minister of Agriculture is out flying kites on the hustings. He must be speaking for the Minister of Agriculture, and if he is not he should not be the parliamentary assistant. If you do not believe me, listen to what he said in western Ontario.

Mr. Chevrier: What did he say?

Mr. Rowe: I shall tell you in a moment. I think you wrote it for him. He said that, so far as the farmers were concerned, they would rather handle their own business. They should handle their own business. Here is what he said. I still think the minister wrote it, although he would not say so.

> "The sooner the dominion government gets out of handling the farmer's products, the better the farmer will be in Canada."
>
> "As a farmer," he said, "I wonder if the farmers wish the government to bolster their products with floor prices and subsidies."

Yes, Mr. Speaker, this is the parliamentary assistant to the man who tried so desperately to control our markets in good times and now so cleverly tries to escape from the responsibility in the more difficult times that are ahead. He should be sitting with you. I thought they would raise his salary because he is doing a good job of letting you out of a difficult situation. The government seems to be very astute. First, they ignore the problem entirely. Then when they see the problem, they blame it on the British government or something else. Then when they have to face it, they put the baby on someone else's doorstep, whether he is the father of it or not.

[Mr. Cruickshank.]

Mr. Cruickshank: There is always an orphan Conservative.

Mr. Rowe: I am not going to enlarge on this matter. The Prime Minister (Mr. St. Laurent) is of course the most responsible man of all for these men of many minds. He was a successful lawyer before he took on this important task and he has at least some excellent qualities and background that fit him to handle it. I know that he entered upon the task and became associated with these hon. gentlemen with the very best of intentions; because speaking at Toronto, as reported in the Toronto *Daily Star,* which is just as friendly to him as it is to my leader most of the time, he said:

> My experience of men and their reactions has been gained in a long experience at the bar, appearing before judges who wanted facts and only facts —in other words, the truth and nothing but the truth.

That is a most wholesome experience, Mr. Speaker. We farmers are often handicapped in not having such advantages. A legal training is very helpful. I find it helpful when I meet men in difficulties and it is sometimes helpful here in parliament. But as a farmer said to me on one occasion: There is nothing like a legal training. When I listened to the leader of the Liberal party, he said, I was convinced. It enables men to handle the truth skilfully to their advantage; indeed, it seems to make them look more honest than most young men can be. I believe there is something in that.

As one who has sat in this house for many years and has been reasonably close to the policies of the Progressive Conservative party, may I say that I was shocked to read some of the speeches that were made in the last election campaign by our present Prime Minister, especially having regard to one or two items. I would ask the hon. member not to point his finger at me, but to look after himself. Everyone in Canada knows that for at least the last fifteen years, the statement that was made by every leader behind whom I have had the honour to sit in this house with respect to the Canadian National Railways and the Canadian Pacific Railway was that our policy was "Amalgamation never, competition ever." That statement was made in this house and it was made

on the hustings, and the matter has never been a political issue since. It has never been discussed in a Conservative caucus or in a Conservative convention or any other place.

Some hon. Members: Oh, oh.

Mr. Rowe: The hon. members have never been in the Conservative caucus and never will be. I know, and every other sensible gentleman in this house knows.

Mr. Cruickshank: There are no sensible men in the Conservative caucus.

Mr. Rowe: I am not assuming that the hon. member is not sensible; but I cannot help it if he does not belong to the Conservative party.

Mr. Cruickshank: When the hon. member questions the honesty of my leader I object.

Mr. Deputy Speaker: Order.

Mr. Rowe: I am not questioning that. I am questioning the strict integrity of purpose having regard to the facts.

Speaking at Smiths Falls on June 18, 1949, the Prime Minister stated, as reported in the Ottawa *Journal*:

> We do not believe in the amalgamation of C.P.R. and C.N.R. . . . We don't believe in the form of amalgamation as proposed by the C.C.F. nor the other kind of amalgamation we fear is the secret objective of the Progressive Conservative party. We think our transportation system is a good system and one which will meet our needs.

An hon. Member: What is wrong with that?

Mr. Rowe: If there is nothing wrong with it in the hon. member's mind, may I say that it is rather remarkable that a similar statement was reported from another great railway divisional centre.

Mr. Warren: Oh, oh.

Mr. Rowe: I have listened to my hon. friend so often, I can say that he is almost more interesting now when nobody knows what he is saying than he is when he is making a speech.

On June 3, 1949, speaking in Stratford, another select railway divisional point, the Prime Minister said:

> We Liberals want neither the kind of amalgamation the C.C.F. advocates nor the kind of amalgamation the Tories secretly hanker after.

This old, dusty, red herring that was trailed around in front of railway divisions in Canada during the last election campaign by these gentlemen is even more significant in view of the recent speech by the Minister of Transport (Mr. Chevrier) himself, who could speak with better authority than can some of those who are heckling me, in which he said that the Canadian National-Canadian Pacific Act of 1933, making possible unification of certain operations in some areas in this country, is an important matter, and that the government had asked the royal commission on transportation to look into it carefully. It was brought down seventeen years ago but they now want the royal commission to study it to find out what it meant; because if it was not a good thing then, he said, we will rescind it now; but if it is a good thing we may apply it to an even greater degree than it has ever been applied before.

Mr. Chevrier: I do not want to interrupt my hon. friend's trend of thought, but I think my memory is fairly good and I do not believe that I said anything that resembles what my hon. friend has just said.

Mr. Rowe: Then I had better read it, Mr. Speaker. It is from the *Daily Star;* and it will be unique if the Toronto *Star* is unfavourable to our friends. I do not want to read all of it, but the Minister of Transport is reported as follows:

> Mr. Chevrier recalled that the present royal commission on transportation was asked to look into it. If results of the act have been disappointing or it has served its purpose, it might be appropriate to rescind it, he said.
>
> "If otherwise, the government may have to enforce its application to a greater degree than in the past," Mr. Chevrier declared.

That is the Toronto *Star.*

Mr. Cruickshank: A good paper.

Mr. Rowe: As this clipping is of no more use to me, I will send it over to the minister; perhaps I had better not, though, as there is another part to which I should like to refer. I will send it over later. As I say, that is the Toronto *Star* and they do not even misquote me, let alone those to whom they are more friendly. I am surprised to hear that they have done so; but I will accept the reply, and we had better page the Toronto *Star.* But it is unique, in view of the pre-election talks, and in view of this old red herring that was trailed around among all the railwaymen in order to get votes; and it is unique in view of the fact that we hear current rumours that ten thousand to fifteen thousand men are going to be let out of the C.N.R. service at the present time. It is a matter of increasing concern to them.

Then the Minister of Transport also said in that same speech:

> But I am convinced that trucking has gone beyond its economic radius of operations.

May I suggest that it is also a warning to thousands of other people. He said either too much or too little. It is too much when the royal commission is sitting and it is too little if he is going to disband the royal commission, take it over himself and tell us what is not economical.

Mr. Chevrier: Does the hon. member not think that, in fairness, he had better read the rest of it?

Mr. Rowe: No. I am going to send the whole thing over to the minister and let him read it for himself; because he does not believe what I have read.

An hon. Member: Read the rest of it.

Mr. Rowe: At the moment my time is much more fully occupied than the hon. member's. The Prime Minister (Mr. St. Laurent) before the election convinced the people that they should expect more than this because, speaking in Moncton, he said:

> We are a government which keeps its promises. All points in the Liberal platform will be implemented, if we are returned to power.

Mr. Cruickshank: And they will be, too.

Mr. Rowe: Give you time. But in a national broadcast—just think this over and compare it with the speech from the throne of the other day—he said:

> In 1945 the Liberal government asked for a mandate to maintain full employment and to expand social security and that remains the first aim of the government's policy within Canada.

At the present time we have almost 400,000 unemployed; and in spite of that the social security measures of importance are being hoisted over for another session, to an investigation committee, to see if the pre-election promises were sound or not.

If you do not believe that, ask the parliamentary assistant to the Minister of Veterans Affairs, because he went down to Toronto on February 15 and said that this social security, "for which we have been asked up and down the highways, the sidelines and the byroads of Canada is indefinable, immeasurable and dishonest". He said:

> It promises to all by inference, and directly to many, according to locality and interest, something which is capable of a thousand interpretations and has no reality.

An hon. Member: The parliamentary assistant to the Minister of Veterans Affairs?

Mr. Rowe: Yes, the parliamentary assistant, I beg your pardon. But if he is a good parliamentary assistant he should either speak as the minister wishes him to speak, or he should speak in unison with him.

Some hon. Members: Hear, hear.

Mr. Rowe: I would say so. I am not going to hold this house longer.

Some hon. Members: Go on.

Mr. Rowe: I wish to say only this. Despite the potential greatness of this country—and it is one of the greatest countries in the world —is it any wonder under such a clumsy floundering change of leadership, so far as policy is concerned, that our people are—

Mr. Cruickshank: Change of leadership!

Mr. Rowe: Mr. Speaker, it is better to change leaders than to change leadership, as hon. members opposite are doing. This country needs a different type of unanimity in cabinet circles than has been demonstrated in recent months. It is little wonder that the people are growing restless, doubtful and nervous of the future, when there is such uncertainty of government policy. This is a land which offers more room for growth, expansion and development than any other country in the world, if one keeps in mind all the great resources we have at our command. All we need is a sounder type of unanimous leadership to make this the most prosperous country in the world.

The growth and prestige of our own democratic form of responsible government is not developed on the ruins of such misrepresentation, promises, pledges and drifting expediencies. During these trying days in the world's history, with the dark clouds of uncertainty hanging over many nations, we must face the facts; we must have a more responsible government. We must have more responsibility as individuals, and we must be more responsible in our national life.

We must see that the government accept their responsibility, not only for what they said before the election, but for what they propose to do after the election. I am sorry my time has now expired.

An hon. Member: Go ahead.

Mr. Cruickshank: Take your time.

Mr. Rowe: Probably you want me to take the time that was taken up in interruptions. What I do observe is that we have the greatest travelling government the world has ever seen, that Canada has ever seen.

Mr. Diefenbaker: Peripatetic.

Mr. Rowe: We have the Minister of Fisheries (Mr. Mayhew) visiting Ceylon for the purpose of developing trade; and we have the Secretary of State for External Affairs (Mr. Pearson) coming back and telling us that they want conferences in other places. And then when I tried to have him tell us about that in parliament, he does not agree. They want trade conferences; and yet the farther they travel the more trade we lose.

It is a strange picture indeed. They are nice fellows, grand fellows. Whatever the United States says, they do. But, Mr. Speaker, let me say this in conclusion: Whether it be called sentimental allegiance or not, in the

light of cold-blooded facts and cold statistics, do not forget that the British commonwealth and the sterling area should be cultivated as the greatest market we have ever had.

No one knows that better than the Minister of Agriculture (Mr. Gardiner). And as a last thing let me say this, even to those who do not wish to listen, that I would urge the party to which the minister belongs, especially for that temporary and seasonal time during which they have a majority, that they should at least start to look east and west, rather than north and south.

It was only last year that the Minister of Finance (Mr. Abbott) spoke in Montreal. The Minister of Trade and Commerce (Mr. Howe) spoke in Montreal, coming to the assistance of the Minister of Agriculture. Others say we must look to the United States of America for a place to market our products. Mr. Speaker, why look to a country that produces the same type of surpluses we produce? Let us remember that it is no reflection upon the United States to say that. The finest relationship in the world is found between Canada and that country—a country we love and a country that seems to love us, a country which, if it went to war, would find us following, a country with which we are closely allied.

But, Mr. Speaker, Far Eastern trade is just as important today in the long-range picture as is the building of aeroplanes for the northern part of this dominion. We need protection in our Far Eastern trade. And if we can develop trade in the Far East, then that will be part of the fulfilment of that great Atlantic charter. If we are strong in our trading relationships in a time of peace, we will be stronger in a time of crisis—and God forbid the time may ever come when that condition will confront us.

I do urge upon the government to stop, look and listen before it is too late. Let them not ignore the problem before them. They all admit it is there now. Then, let them call a British commonwealth trade conference taking in the area of the Far East, and all the sterling area as well, to see what can be done. We have traded with them for three-quarters of a century, and we will continue to play the game. A businessman does not change customers merely because of a temporary shortage of markets or a temporary shortage of some sort. He takes the long-range view. And if my right hon. friend, the Minister of Agriculture, will reconsider, I am sure he will apply to this situation the same philosophy he has applied in the operation of his own farm. I am sure he will see the long-term advantage, if he will take one more look.

I would also urge that, no matter what our status may be, no matter what the relationship from a national standpoint, the British commonwealth of nations be not sold short. Because they, with the sterling area, still constitute the greatest hope for national prosperity, fuller employment and the fulfilment of the destiny of this great dominion, that destiny to which we have been aspiring. Let him consider that channel of trade, rather than the other channel, no matter how friendly we may be with them in the future.

Mr. Robert Fair (Battle River): Mr. Speaker, may I open my remarks this afternoon by congratulating the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply. They did a good job, when one considers what they had to work with.

Before concluding my remarks this afternoon I hope to be able to explain what I mean by that statement. I should like also to congratulate the hon. member for Grey-Bruce (Mr. Harris) upon his elevation to full cabinet status. Having known him since he came to the house some years ago, I feel the Prime Minister (Mr. St. Laurent) showed wisdom in choosing the hon. member for the important portfolio to which he has been promoted, and we shall expect some good results from his administration in that department.

I would refer briefly to one other minister, and not in congratulatory terms, because my reference is to the Minister of Labour (Mr. Mitchell). We understand he is not enjoying the best of health. With all other hon. members I hope to see him back in his place in the near future, and enjoying good health. He has been carrying a heavy load and, according to figures which have been placed before us, and discussions which have taken place within the last week, it would seem that he still has quite a job on his hands. We hope his health is fully restored and that he will carry on his work in the future as he has in the past.

May I proceed to deal with some matters which are not discussed in the speech from the throne, and I do so because I find it easier to proceed in that way than to deal with some subjects contained in it. May I first of all turn to grants in aid of education. This matter was discussed at length last session and, because of the statement made by the Prime Minister, we felt that it would have been mentioned in the speech from the throne. However, I have been unable to find any reference to it. On another occasion I hope to have an opportunity to discuss this matter more in detail. For the time being I endorse in every detail what was said on Monday last by my leader, the hon. member

for Peace River (Mr. Low), in connection with all phases of federal grants to education. I think all hon. members realize that the present taxation powers of the provinces are not sufficient to provide the education required by our children. If we are to have the kind of electorate that Canada should have and is entitled to have we must have better educational facilities. When you have illiteracy you have people with poor judgment and as a result you have poor administration of our affairs. Canada is the best country in the world and there is no reason why we should not have the best educational facilities for our people.

I should like to comment briefly on some of the statements made by the Prime Minister (Mr. St. Laurent) on February 20. I should like to quote first from page 53 of *Hansard* where, after dealing with the pulp and paper business, the Prime Minister is reported to have said:

> That, I think, is an illustration of a point I might make here. Let us not harm ourselves with fear.

The Prime Minister then went on to deal with the unemployment situation. Then on page 56 we find this:

> We must realize that, in order to have profitable and self-liquidating investments, we must have peace in the world and in order to have peace in the world we must do our share in the North Atlantic arrangement.

Those two statements make a person wonder why the Prime Minister has fear in his mind. It will be noted that the defence estimates for this year are for something like $425 million, and yet this is peacetime. We know that conditions the world over are not as they should be or as we would wish, but perhaps there is something more behind the scenes than the common people are allowed to know. The two references to fear by the Prime Minister make me wonder just what is coming that we do not know about. Then I quote from page 59 as follows:

> At the same time a significant amount of our industrial raw material and consumer goods requirements is dependent on our finding the United States dollars to meet our deficit there. We are therefore in a vulnerable position on both export and import accounts. That is why the development of our resources, particularly in such things as oil and iron for which we are so heavily dependent on the United States, is of double advantage. It expands our own production income and wealth, and it helps meet the United States dollar problem to which our trade is so vulnerable.

I would remind the Prime Minister that the present government is responsible for many of our difficulties in connection with the shortage of United States dollars. Back in 1945 the Social Credit party consistently opposed the Bretton Woods agreement legislation in every stage and pointed out some of the difficulties that would occur in the near future. Apparently some of the hon. members thought that we were out in a wood lot somewhere and they cast their vote in support of the legislation on that basis.

In my constituency there is produced the finest grade of oil for use in oil burning locomotives. Because of difficulties, particularly freight rate difficulties, we are not able to dispose of as much of that oil as we would like to. Freight rate discrimination would perhaps be a better phrase to use. The eight per cent sales tax was removed last session and up to that time that was just another discrimination. This question of freight rate discrimination has been brought to the attention of the Minister of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner) and the Minister of Finance (Mr. Abbott). I hope in the near future they will take the necessary action to see that this oil field is further developed.

Because of the present shortage of coal the further production of this oil is doubly necessary and the freight rate discrimination should be removed. When passenger train service was curtailed, the oil people at Lloydminster offered to give the C.N.R. oil free of charge for the operation of the train service between Edmonton and Saskatoon, but the railroad did not find it possible to accept that offer. Along with many other sections of the country we are still faced with a curtailed train service. I am not going to discuss this matter any further at this time, but I do hope that the coal shortage will soon be relieved and our train service fully restored.

The Prime Minister went on to deal with old age pensions and devoted a lot of time to that subject. We have on the order paper a resolution to set up a joint committee of the Senate and House of Commons to investigate pension schemes in other countries and possibly make some recommendations. I suggest that before this committee makes its report—I do not expect it will be made until perhaps the next election—we should do something to relieve the distress of certain older people at the present time.

Not long ago an amendment to the Old Age Pensions Act was passed providing for an increase of $10 per month, but we failed, perhaps intentionally, to increase the amount of allowable income. At the present time the allowable income for a single pensioner is $600 and for married pensioners, $1,080. In order to have given all these people that $10 increase we should have provided for an increase of $10 per month in the allowable income. Because that was not done many of these people have been denied the benefits of the $10 increase.

In certain cases, perhaps not many, people are denied pensions because they cannot furnish proof of age. Several methods of proving age can be adopted. A birth certificate may be presented, a marriage certificate or the date of joining some organization. However, many people from Europe have entered this country, sometimes coming here in a hurry. Because of what is to us a peculiar spelling of a name other branches of the government are not able to find any record of these people having entered Canada. As a result they are denied a pension because they are unable to furnish proof of age. I have had such cases myself, and I expect that other hon. members have had similar experiences. Where no other proof of age can be found I suggest that the individual be brought either before a medical doctor, who should at least have some knowledge of age, or perhaps before the old age pensions board for the particular province in which the prospective pensioner resides.

In my opinion—and I think it is admitted by every fair-minded person—the present pension of $40 a month is not sufficient to keep our old age pensioners. Like all other Social Crediters, I believe we should have a minimum of at least $50 per month, and that the age at which the pension is payable should be reduced from where it is at the present time because many of our people, particularly those working in industry and on farms, reach the end of their working days long before they attain the age of sixty. I think unemployment figures will show that when people reach a certain age they are not wanted any more. Employers just do not want them. Where are these old people going to get work? During their lifetime they have contributed their share to the building up of the country, and the country should now see to it that they are provided with a pension that will keep them in reasonable comfort during their old age.

At the last session the hon. member for Fort William (Mr. McIvor) made a suggestion that the sales tax be removed on hearing aids for old age pensioners. We fully endorse his suggestion, and I would add to it dental and optical equipment. The prices of these things are certainly far too high at the present time and we should be able to afford the loss of the eight per cent tax on these articles. Then we have another class of people to whom I referred at the last session, and to whom I hope to refer again later on, the physically incapacitated. Many of us who are in possession of all our faculties, mental and physical, find it difficult to make a living, and these people who are physically incapacitated through no fault of their own are finding it pretty hard to get along. Their families are responsible for their care, and I believe the government could go a long way towards helping them out. I hope before the session ends legislation will be introduced as to that matter, providing pensions at least equal to old age pensions.

Turning to agriculture, I feel that in the past many people have not given the industry the consideration to which it is entitled. I have here an editorial to be found in the *Rural Co-operator* of January 24, 1950, a publication printed in Toronto. It refers to a speech by Louis Bromfield, novelist, farmer and internationally famous conservationist, to the Ontario crop improvement association, and reads:

> A "more detestable man never lived than Hitler", he said, "yet Hitler did utter one truth. He said Germany was fighting because it didn't have enough living room and it didn't have enough to eat. That was the true cause of the last two great wars. Naziism was only the political manifestation of that profound economic cause."

The editorial goes on to say:

> If we accept that explanation, and many will, we are at once faced with the question: What are we doing today to make sure that no people in the world shall ever again have that cause or excuse for going to war? Is reduced farm production, in terms of international relations, a practical policy to follow? Could not any country with a farm surplus better afford to give it all away at any expense than run the risk of a further conflict with all its staggering cost in money and lives?

In connection with giving away food, I have figures taken from the Alberta wheat pool budget of February 10, 1950, showing that the United States commodity credit corporation on November 30, 1949, had $3,370,190,000 invested in price support loans or in commodities held. Perhaps that is something we might consider. I have other excerpts from articles that I should like to read for the purpose of building up the case for agriculture. The next one is a report of an address by Mr. C. H. Millard, also to be found in the *Rural Co-operator* of January 24. The heading of the article is:

> Labor Doesn't Allow for Any Hitch-hikers.

In addressing the Ontario federation of agriculture, Mr. Millard, a director of the United Steel Workers of America, had this to say:

> We don't allow for hitch-hikers in the union. Every member must pay his way. We have learned that you must not go about formulating policies unless you are prepared to pay the cost.

Then the article goes on to read:

> Mr. Millard, one of the best known labour leaders in Canada, had been invited to tell "Labour's story" to the farm people at the convention.

He stated further:

> "Our first objective is to unite all labour people. When we started in at the job of organizing we found the workers badly disunited. They were disunited on the basis of religion, race, fraternity and

social barriers. Our next objective was to engage ourselves, with our employers, in the art and process of collective bargaining to ensure an adequate standard of living and good working conditions. Our third objective," said Mr. Millard, "is to win social security for ourselves and our families and to seek to bring about ever higher standards of living." Labour, he said, felt that action on the economic front was not sufficient. Political and legislative action was also necessary if many problems were to be overcome. "We face grave political problems having a bearing on economic problems, particularly in matters of trade."

He went on to say:

Frankly, I am little concerned over the loose thinking of the past few years about the markets for our so-called exportable surpluses. . . . The standard of life everywhere must be raised, here in Canada as well as abroad, so that labour is able to buy the goods the farmer produces, and the farmer can buy ours.

I hope that will be taken into account by many people who have to deal with labour and agricultural policies. To the farm organizations of Canada I would say that it is important that every farmer belong to a farm organization. I would also go a little further and say that it is important for every farmer to attend the meetings of the organizations, particularly those where policy is laid down. It is important that farmers elect the right leaders, and that they see to it day in and day out, week in and week out, year in and year out that those leaders follow a sound and progressive policy on behalf of the organizations. If that is not done, then we may be led down a road that is not good for farmers, for labourers, or for Canada as a whole. That is a warning I have given to farmers before, and I am giving it again today in the hope that farmers all across Canada will benefit from it. I am not saying that as one who is on the outside because, since coming to Canada in 1914, I have had quite a little to do with farmers' organizations.

I also have a report of an address by Mr. Hannam, president of the Canadian Federation of Agriculture, speaking before the Ontario federation meeting in Toronto on January 12, 1950. The article reads in part:

"Feeding the world is an international task and must be approached on an international basis," he stated. Farmers in all countries want to remove the needless risks and insecurity in the agricultural industry of the old order; farmers in all countries want to produce for a known market with a reasonable measure of stability, he said. "More than ever before our price stability in Canada is dependent on price stability in the world market," Mr. Hannam told the delegates.

Then it goes on:

"If Canada had been buying more goods from the United Kingdom during the past few months we would not be having trouble with U.K. food contracts now," Mr. Hannam stated.

"We have tariffs against British woven woollen products, clothing made from wool, boots and shoes, washing machines and bicycles, to name only a few, and these tariffs are one good reason why there are not more U.K. goods coming into this country."

Then he said that this type of tariff was a subsidy to industry and that farmers should not be criticized for seeking protection for farm products through price supports. I am not going to read any more of Mr. Hannam's statement, but I have something here by the Minister of Agriculture (Mr. Gardiner). I am glad he is in his seat at the moment, looking happy; and I hope he continues to do his best for the farmers, as he has done in the past. I was pleased to learn that he has no opposition in the cabinet to his agricultural policies, because many people were quite satisfied that the minister would have been able to do better but for some opposition in the cabinet. The statement recently made gives us the assurance that there is no such opposition, and I hope that is correct. Speaking at the Niagara Falls convention on February 1 the minister is reported as follows:

Mr. Gardiner said the government has no intention of going into the business of buying and selling, although it proposes to put price support legislation on a permanent basis at the next session of parliament.

However, he added, he is going to do everything he can to get trade contracts without utilizing funds from the price support legislation of $200 million, which he felt certain would be voted again without difficulty.

Meanwhile he suggested farmers set up strong co-operatives and distributing agencies in the marketing of produce throughout the provinces.

And a little later:

While it was a tribute to his department that farmers apparently felt pleased at the distribution of food products under emergency conditions during the war—

I might interject that while they were satisfied with the distribution they were not satisfied with the financial return.

—those conditions no longer applied. The job no longer could be done from Ottawa.

The minister said he also wished to dispel rumours that he is meeting opposition from the cabinet in his efforts on behalf of the farmers.

Mr. Gardiner said farmers cannot expect floor prices to be set at the highest level prevailing during the last three years. In most cases, the price was set about 10 per cent lower than the highest level.

Then apparently he went out to Alberta, that province where the sun shines all the time, and at a meeting in Lethbridge had this to say:

"During the last year, or year and a half in some cases, we have been asking all consumers in Canada to make up to the farmer for what he lost during our price controls . . .

"We have no difficult surpluses with any of our farm products. We are not in the period yet when we should feel down in the dumps on farm prices."

Mr. Gardiner declared that the only way farmers could succeed in the west, or in all Canada, was to produce to the limit of their capacities the farm

products which they could best produce, especially for the domestic market. Until Britain reached its objective, possibly at the beginning of 1952, of accumulating $2 billion in dollar credits so she could restore her trading to normal levels, Canadian farmers must put their operations on a sound basis. When Britain could again trade freely the Canadian farmer, he felt sure, would be able to compete successfully against any country in the world for British markets.

I think that will serve as a foundation for what I propose to say a little later. When I came to this country thirty-six years ago I remember that the farmers worked anywhere from ten to sixteen hours a day, and even longer during some of the busier seasons. At the same time organized labour was working fifty to fifty-five hours a week. Today we find the farmers still working the long hours they worked then, while organized labour in many cases has brought down the work week to forty-four hours, and is now seeking a further reduction to forty hours. In my opinion that is not too bad. At the same time the farmers have no guaranteed pensions, and no guarantee of any kind if the weather is not kind to them; they have no holidays with pay. Today organized labour has its pension schemes; it has holidays with pay; and in most cases the workers have better homes than the farmers, with electric lights, bathtubs, electric washing machines and things like that. I say to labour it is a good thing they have those things, because the country can produce them and through their organizations they have been able to obtain those benefits for themselves. But what about the farmer; does he have all those conveniences and those guarantees of security? He has not. Many people blame the farmer for the high cost of living. In the Manitoba *Co-operator* of January 5 I saw a short sentence which may give us an idea of what brings about the high cost of living:

> On Friday, December 30, retail price of No. 1 back bacon was 98 cents per pound at three Winnipeg retail stores, and 77 cents per pound wholesale. The bacon comes wrapped in one-half pound and one pound packages, ready for sale over the counter, for which the retailer takes 21 cents per pound as his mark-up, or 27·3 per cent. The same is true of some other prepared meats. A quick serve whole ham retailed at 67 cents for which the wholesale price was 47 cents, or a mark-up of 42·5 per cent. A regular ham retailed at 60 cents, the wholesale price being 39 cents, a mark-up of 53·8 per cent.

These things contribute to the high cost of living. In many cases the farmer had nothing whatever to do with it, because during the peak prices he was getting 36 cents a pound for Wiltshire sides. That was not live weight; that was dressed, delivered at the seaboard.

In the past we have had many contracts with Britain. Only a few months ago the Minister of Agriculture and some of the other ministers told us we would not be able to renew those contracts. Since those reports were circulated in the press and over the radio there has been a great deal of discontent among our farmers; but we are told that by some good luck or in some way contracts have been entered into again this year for certain quantities of bacon and cheese. They could not renew the egg contract; I guess the British people are getting their supplies somewhere else. In spite of all the statements that have been made by the cabinet ministers I feel that we have suffered a definite loss in our markets in Britain. I have here the report of a speech made by the Minister of Agriculture to the Canadian chamber of commerce in London in December, 1948. I should like to read part of it, because I think it gives his attitude toward our dollar system and other things as well. Speaking of the 1949 contracts he said:

> I am not making these statements to be critical of the United Kingdom government or its agents. I am making them to impress upon you the fact that the British people want our bacon, want our eggs, want our beef, want our wheat. I am making them to impress upon you that if dollar requirements had not intervened we would have been in a position to send you in 1949 over 300,000,000 pounds of bacon, nearly 200,000,000 pounds of beef, 80,000,000 dozen of eggs, several hundred thousand barrels of apples, thousands of bushels of beans and much jam, none of which your traders feel you can afford to have from us because of the dollar shortage. We cannot sell the apples, beans, jam and salmon to anyone at any price under the present dollar arrangements and for the moment we are finding it impossible to dispose of millions of bushels of linseed at 30 per cent less than you are paying others for it.
>
> They are taking 140,000,000 bushels of wheat and 50,000,000 pounds of cheese from us because they must have them and we appear willing to provide them for fewer dollars than any other will supply them.
>
> All this is bringing me to wonder if an unknown economist, or was it an Abraham Lincoln or some such individual as Churchill, was not right when he said: 'That he would rather have the money in his pocket tied to the unthinking inanimate substance called gold which cannot change its mind than to the manipulations of some small group of crackpots who fancy themselves as economists or statesmen.'

The minister never told us to whom he was referring, but I should like him to tell us whether he was not referring to those economists they have in the Department of Finance and the Bank of Canada. I think I am right in suggesting that those are the crackpots to whom he had reference.

Further along in his statement, he said:

> I am not convinced that this latter statement is correct, but I am convinced that the world is not in any state of mind where it can be expected to agree that the manipulation of any system or systems of currency is going to be allowed to interfere with the will of those who have empty stomachs when it is preventing surpluses of food to get to them. It might be a good thing for everybody if they would close down the United Nations meetings long enough to permit of the United Kingdom and United States experts getting together and settling some basis upon which dollars and

sterling can be converted to allow nations like Canada to produce food to feed the starving millions and distribute it. If that cannot be done then they might provide some means by which we can have an opportunity to fill our country with working people to develop the resources the world needs for its war and other machines, that they may eat the surpluses already piling up but which we are not permitted to sell.

I see that my time is slipping away, so instead of dealing with the world organization as I intended, I shall refer members to the speech made by the member for Acadia (Mr. Quelch) on Thursday last, in which he dealt with the whole matter. At that time he showed that the money experts or crackpots had misled the delegates to the meeting of the world organization which considered a plan for the distribution of food. Today we are not allowed to supply that food to the hungry people of the world.

One day last week the member for Yorkton (Mr. Stewart) contradicted a statement made by the member for Souris (Mr. Ross), when he said that during recent years agriculture had suffered a loss of $2 billion because of government policy. I am not sure that I am prepared to go as far as that because I have not calculated the loss. I can say, however, that for the years 1946, 1947 and 1948 the farmers' loss on wheat sales alone amounts to slightly more than $508 million. If the hon. member for Yorkton wishes to challenge that statement, we shall see about it. I have the government figures to bear out what I say. As a result of the losses the farmers have suffered since the outbreak of war, and because of certain things that were done owing to the war, I am suggesting that the support prices be fixed at the 1949 level for a couple of years at least. I do feel that is not an extravagant request, because during that ten-year period since war broke out the farmers have paid rather expensive insurance premiums to guarantee themselves those prices in the future.

As I have said before, the industries receive subsidies by way of tariff protection. There is no reason in the world why farmers should work approximately twice as many hours as the people in other occupations, and have a much lower standard of living in most cases, yet be refused price support. I feel that at the present time, or any time for that matter, there is no need for gloom among the people of Canada, provided their affairs are properly administered. It may mean we shall have to have another government in order to ensure that proper administration. If it is necessary, let us have that change. Last year, I believe we had a national production of approximately $16 billion. Last week we were told that it is expected the national production for 1950 will amount to $16,250 million. We are not working to the limit, by any means, as will be seen from the figures on unemployment that have been recited in this house during the past two weeks. If those people were put to work, production could be increased to a great extent. I feel that the farmers of Canada have done their share of the producing, and they want to know now what the government is going to do about its share. As I said before, if the government is not equal to the job, then let us dismiss the government, and dismiss these crackpot money experts in its service. We Social Crediters have a policy that will, to a large extent, eliminate the difficulties in this and many other countries.

Since the wheat board legislation terminates at the end of July, I believe some legislation should be brought in at this session to continue the operation of the wheat board. I would suggest that, by legislation or some other means, the grain exchange should be eliminated before it has another chance of starving many of the unsuspecting farmers of the western provinces. The grain exchange has had its day, and has brought much misery. I want the government to take effective measures, by legislation or otherwise, to rid the country of this scourge of pests.

Social Credit has got a policy, not only for agriculture but for other industries as well. For agriculture we propose, first, a home market constantly supplied with purchasing power. Many people claim that is not necessary, that we should just let things continue as they are. People will continue buying until they have used their money, and then, if they want to go hungry, that is up to them. Many people, however, are not able to find better jobs. If purchasing power were assured, you would not have the troublesome surpluses that have been built up in some parts of Canada even today.

The second point is a compensating price discount technique for ensuring fair prices to producers without causing inflation. Number three is a two-price system to work in conjunction with an international commodity clearing house to guarantee parity returns to farmers. Number four, extension of export markets and acceptance of non-convertible sterling as a means of recapturing and retaining British and European markets. Number five, provincial-dominion producer marketing boards to serve as a foundation for Number 6, a permanent Agricultural Prices Support Act. Floor prices should be established at a level which would enable farmers to get along.

I see that my time has expired, so I shall discuss many of the other subjects I had in mind as the days of the session go by.

Mr. L. Philippe Picard (Bellechasse): May I first, Mr. Speaker, congratulate the mover (Mr. Larson) and seconder (Mr. Dumas) of the address in reply to the speech from the throne. This has become a customary opening for those who rise in this debate. I wish to assure them that the sentiments are none the less sincere, because they have performed their task well. They have shown that they have ability as well as good training for the office they now occupy.

I wish to congratulate the Prime Minister upon his choice of the gentleman who now occupies the post of Minister of Immigration and Citizenship (Mr. Harris). It must be gratifying to the minister to see how well his appointment was received by members of all parties in this house. He is a man of ability and judgment, and it is to be hoped that he will not fall prey to the fantastic plans of those who would open wide the doors of our country and even finance the admission fee at a time when we are experiencing in certain regions of the country temporary difficulties in finding employment for those who were born in Canada or who have been here for a considerable time. In a country such as ours, immigration is an important topic, and although I do not join with those who believe we should not let anybody in, I think our policies in the matter should be carefully weighed and that we should not forget that the timing of a measure is often as important as its provisions. I feel quite sure, however, that with the first Minister of Citizenship and Immigration (Mr. Harris) we may expect all the guarantees and the caution that a man of his judgment and intellect would consider advisable in the matter.

While I am distributing congratulations, I think it might be in order also to congratulate the government, and especially the Minister of National Health and Welfare (Mr. Martin), on proposing the appointment of a committee to examine and study the best possible method to ensure security.

A moment or so ago the hon. member for Dufferin-Simcoe (Mr. Rowe), in his speech, objected to that method and said that the government had made promises but instead of fulfilling them was just appointing a committee. I cannot see what is wrong in setting up a committee. It is the democratic way to act, for the government to give to all parties in the house an opportunity to study a question before a bill is brought before the house. We oftentimes complain that we are faced with a measure without members having a chance to express their views before the government has already committed itself, sometimes even in detail, to a given proposal. I think the government is to be congratulated on taking the steps it is now taking. Unless there is a change in the motion, however, I must express deep regret that the government has not seen fit to heed the pleas and requests made by many hon. members and in which I have repeatedly joined the hon. member for Terrebonne (Mr. Bertrand), that consideration be given to the possibility of setting up a system of pensions for invalids. For a number of years the hon. member for Terrebonne has proposed a resolution to this effect, and he has done so again this year. His resolution is on today's order paper and reads as follows:

> That, in the opinion of this house, the government should during the present session take into consideration the advisability of including in their social security program a system of allowances to every person, without any sufficient income or means of support, who, by reason of an injury, accident, congenital infirmity or incurable disease, is at a disadvantage in seeking or obtaining employment, or incapable of providing for his subsistence, and whose age prevents him from benefiting by the social security legislation now in force.

On a number of occasions I have spoken on a resolution of that nature or one in nearly similar terms, not only because of the knowledge I have of conditions in my own constituency but because, from year to year, each time that I rose in my place I have received a flood of correspondence from all over the province, or from those parts which had been reached by the press which reported my speech. From those letters I have learned of the sad situation of so many unfortunate people. In a speech a year or so ago, by comparison with countries in which such plans exist, I established that the amount necessary to cover such a pension scheme would not be exaggerated. Today, however, I have other subjects to deal with, and I shall not go any further in the matter than to ask the Minister of National Health and Welfare to consider the advisability of widening the scope of the reference to the committee so that, at the same time that it considers the question of old age pensions, it may consider pensions for invalids.

There are rumours that there might be in the offing a conference between the federal and provincial health authorities on the question of aid to incurable persons. I wonder if that includes a scheme of pensions for incurables. If that is so, it is all to the good. Even if such a conference is planned, I do not see why an opportunity should not be given to the members of this house, at the same time as they discuss the question of old age pensions, to express their views on the question of pensions for invalids. This question has been brought here time and again. As I said a moment ago, the sad plight of these people cannot be overlooked and cannot, for much longer, be left without special consideration by the government.

Many countries now have such schemes. In some of them they are contributory; in others they are just outright pensions such as we have here up to this moment for the old people. But be it one way or the other, either outright pensions as we have now for the aged or a contributory system, with special allowance or special provisions for those who are born invalid, and never had any occupation of any sort, something should be done but it might be made contributory for those who have an occupation and later become invalid.

As it is one minute to six, Mr. Speaker, and I am about to change the subject of my remarks, I should like to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Picard: Mr. Speaker, loyalty to those who have made it possible for me to stay in this house for the last ten years, loyalty to those who remained loyal to me at the last general election despite, I might say, the venomous attacks of my opponents, prompts me to devote much of my attention to the future of Canadian agriculture. Eighty-five per cent of my constituents toil and sweat on the land to get from it their daily subsistence, and that of their families. I make my concern the fate of these men and women who, for the great part, toil on the farms, work on the farms handed down from generation to generation in the same families or who, as the younger sons of such families, have ventured into the forests and wrested from nature that lot of land that will become the fertile patrimony of their sons and grandsons.

This is why time and again during these last years I have tried here to explain the point of view of the Quebec farmer. That is why I have endeavoured to understand their problems and to make suggestions which I have thought would produce beneficial results for them. I have never known personally their hardships. I cannot say I have ever shared their tasks, nor can I claim to have an actual or even an indirect experience of their difficulties. But as they kindly accepted me in 1940, as one of them, to speak in their name in this House of Commons, and as they have twice since then renewed the expression of their confidence in me, it is natural that I should devote a considerable part of my activity to the study of the conditions, local, national and international, which may affect their welfare.

I feel it my duty, for these reasons, to express here some of these thoughts which have resulted from the consideration I have given to the fate of Canadian agriculture as regards especially the necessity of finding markets for our agricultural surpluses.

One of the most important matters affecting the economic life of our country at the present time is the marketing of these surpluses of our agricultural products, both as to prices obtainable and the quantities for which we might find buyers. The situation as it stands today is discreetly mentioned in the speech from the throne in the following words:

> Circumstances outside Canada have been responsible for some downward adjustment in the price of farm products.

And later:

> Continued difficulties arising out of the world-wide dollar shortage have resulted recently in reduced purchases of a number of our export products.

These two apparently innocuous statements refer to a problem much vaster and of much greater consequence to our economy than these guarded words may indicate. The whole of our agricultural development and much of our national progress hinges on the successful disposal at reasonable prices of our food surpluses. Not only as a representative of a rural constituency, but from a firm conviction that the well-being of the country is dependent upon the healthy condition of our agriculture, I feel it my duty to devote my time tonight to a consideration of these problems and of the possible remedies to be applied.

Before looking into what the problem has in store for us, it would not be fair not to outline, even if briefly, what has been the result of the government's agricultural policy over the last few years. This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) spoke about low prices. Can he find at any time under any administration by his party such prices as we have had under a Liberal administration for the last few years? I do not have to go even as far as the war years which, admittedly, have been years most profitable to Canadian farmers in general. But we have figures for the four years following the war, from 1946 to 1949, for the five products upon which agriculture generally depends for its prosperity—wheat, hogs, cattle, milk and eggs.

In this connection I should like to quote from an address delivered by the Minister of Agriculture (Mr. Gardiner) to the annual meeting of the Canadian Federation of Agriculture on January 31 last—and I would ask hon. members opposite to take note of these figures, because they are official. On that occasion the minister said:

> During the four years since the war we have marketed on an average 90 million bushels of wheat,

more per annum than in the four years before the war, which is approximately one-third more. During the four years since the war we have marketed on an average 345 million pounds more pork per annum than in the four years before the war, which is approximately one-half more. During the four years since the war we have marketed 370 million pounds more of beef per annum than in the four years before the war, which is above one-half more. During the four years since the war we have marketed two billion pounds more milk per annum than in the four years before the war, which is one-eighth more. During the four years since the war we have marketed 150 million dozen more eggs per annum than in the four years before the war, which is more than 60 per cent more.

Prices on those five products will average at least 65 per cent higher. The difference is best represented in the gross farm income in the last four-year period compared with the preceding period. The average annual total for the last four years is $2,133 million and for the previous period $650 million.

For the benefit of those who prefer the net income figures they are, for the last period $1,305 million and for the previous period $435 million. The gross income or the net income is more than three times in the last four-year period what it was in the four-year period before the war. It would appear that it will continue at that average for at least another year, and thus give us the best five years in our experience.

There is no way in which the pessimists can figure us into depression or difficulties up to the present.

Mr. Speaker, let us now see the situation as it is today. That was the situation up to that moment. Let us see what it is now. Again I quote from the same address by the Minister of Agriculture:

At the end of 1949 the three most important contracts are still in existence. The bacon contract continues so far as delivery to the British is concerned for the entire year of 1950, but so far as guaranteed returns to the farmer is concerned, until July 1, 1950.

Under it the government agrees to take delivery of A Wiltshire sides at $32.50 a hundred and to deliver to Britain 60 million pounds at $29 a hundred. If the plan works as intended the farmer is assured a floor price for hogs approximately 2 cents a pound more than we are obtaining for what goes to Britain. This means that the farmer will get about one-tenth of the return over and above the British price from the treasury of Canada, and the other nine-tenths directly from the consumer. $29 a hundred is $2 a hundred more than we received in 1947. It is more than we have received in any year excepting 1948 and 1949.

The farmer has been netting more for some months, under this plan, than he could have obtained in any other way. His price will still be higher than I have been able to find farmers getting in any country, except Britain. These higher returns have been justified because at an earlier time he is presumed to have taken less than he might have secured.

The wheat and cheese contracts are still in existence. The wheat contract ends July 31, 1950.

We are now negotiating.

The cheese contract has been renewed for one year at five cents a pound less than from April 1, 1948, to December 31, 1949, but it is the same price as was received in 1947 and five cents a pound more than in any year before 1947. The government has subsidized the price by three cents a pound and pays in addition a premium of one cent on 93 score and two cents on 94 score cheese.

As far as eggs are concerned, the minister has suggested that we cannot hope to sell eggs in any form to the United Kingdom in 1950. The hon. member for Dufferin-Simcoe (Mr. Rowe) suggested that the markets were lost. I cannot find from those figures that the markets are lost. I shall come in a moment to the remedies that might be applied to this situation as it may develop. I should like to quote again the Minister of Agriculture (Mr. Gardiner), who said on December 14:

In the meantime we will be trying to tide you over the year 1950 with an agreement on cheese which we think we can negotiate and one on bacon to cover the remainder of the 1949-50 natural hog year which we have hopes of being able to negotiate.

Then on January 31, 1950, the minister said:

What about the future of the British market? It is still taking approximately $400 million worth of our farm products and therefore is our best outside market. The prospects are that it will continue to be our best market. If they take all our surplus cheese and 120,000,000 bushels or more of our wheat, they will continue to be, if not our best market, one we cannot afford to be without. Any effort farmers have made to remain in it is worth continuing. We are only going to lose $30 million in 1950 from the British market as compared with what we had in 1949 if we lose all we were asking for and did not get.

The present contracts which we have for commodities other than wheat are as follows: 60,000,000 pounds of bacon with a seaboard value of approximately $17 million. The cheese contract may vary with a possible maximum of approximately 85,000,000 pounds of a value of around $21 million f.o.b. Montreal. That is far from the gloomy picture we got this afternoon from the hon. member for Dufferin-Simcoe. We now have covered the situation as we see it, and as to its causes I cannot find any better words than those contained in an article published in the *National Review* of October, 1949, entitled, "Canada and the sterling area", by the Right Hon. L. S. Amery. Speaking of Canada he says:

Her economy is, like ours, essentially a highly unbalanced one. It is one of immense surplus productive capacity in respect of foodstuffs, raw materials and minerals. However great her industrial development—and she is destined to be one of the world's great industrial powers—the immense area of her agricultural lands and, even more perhaps, the vast and scarcely tapped mineral resources of the great pre-Cambrian rock shield that covers half her territory, will make it a matter of generations before she can absorb anything like the whole of her vast primary output. On the other hand her economy is a deficiency economy, temporarily in some elements of industrial equipment, but permanently in respect of all the products of the

southern temperate, sub-tropical and tropical regions. External trade is for her, as for us, both a matter of existence and the essential condition for the fullest expansion of her resources.

It is an oft-repeated fact that we must buy much of what we need in the dollar area and sell most of our surpluses in the sterling area. Most of our surpluses are food products. Although the problem is national in scope, first and above all it affects the Canadian farmer. On this subject I again quote the Minister of Agriculture in an address delivered at the fifth session of the food and agricultural organization conference held in Washington on November 24, 1949, when he said:

Thus, in relation to some other exporting countries Canada has an economy which is particularly dependent upon exports—both from the point of view of the volume and the consequent reaction of Canadian prices to changes in world prices.

And again:

It is essential for us to export 75 per cent of our wheat. Unless our exports can be maintained we cannot continue to purchase large quantities of goods from the United States and the United Kingdom. We should purchase from other countries, including those two, such goods as they can produce at lower costs than they can be produced in Canada.

And again:

The importance of agricultural exports in our economy places Canada in a unique position. Products of farm origin, while below wartime levels, still represent a substantial part of total exports, and of these wheat alone accounts for about 15 per cent. Canadian farmers, therefore, are still vitally concerned with world markets and are fearful lest monetary difficulties and other trade obstructions deny them entry to their natural market which is the market of Great Britain. We are the nearest of all countries which supplied them in wartime. We still want to supply them until their needs are satisfied. If we did that we would not have any marketing problem in those products which they required from us during the war.

I agree with what the hon. member for Dufferin-Simcoe said this afternoon that the British market ought to be cultivated. What I cannot understand is why he complains that prices for wheat were fixed during the war. I cannot understand why one of the leaders of the Tory party is objecting to what was done in the hope of keeping the British markets after the war and helping Great Britain during the war. He has talked much this afternoon about the speeches made during the campaign by the Prime Minister (Mr. St. Laurent) and the Minister of Agriculture. He touched upon almost everything except the *North Star*, which was made such an issue by the leader of the opposition (Mr. Drew) during the campaign. I cannot help but think of the success that crowned the efforts of the government and I think the same thing will be true one day of the efforts of the Minister of Agriculture in attempting to solve this situation.

With regard to the reasons for the shrinkage last year in our exports to Great Britain the minister made a statement which brings me to the next part of my remarks. He said:

This was not because the United Kingdom did not want our cheese—and many of our other products—but because she did not have the dollars to pay for it. If we could remove the one difficulty of lack of dollars we would have solved many of our problems.

As to the remedy, the minister stated that it would be threefold. First, he referred to the fact that we have lent Great Britain $1,250 million, the expenditure of which was intended to be spread over until 1952; second, we are encouraging purchases in Great Britain for dollars; and, third, we are discouraging the purchase of some commodities from the United States.

I shall try to demonstrate in the third part of my remarks that there is another field which the government does not seem to have explored. I shall come to that in a moment, but first I should like to make a last quotation from the remarks of the Minister of Agriculture. I may be accused of quoting the minister too often, but I admit that I have a weakness for him. Of all the experts in agriculture in Canada he is the one who has most consistently been right in the past and is the one upon whom we can most depend in the future.

Politics aside, I am deeply convinced that Canada has been most fortunate in having as Minister of Agriculture for the past 15 years a man who was so qualified to direct its agricultural policies. The minister has weathered many storms and he has met with outstanding success. He is not the type of man who seeks praise nor does he like empty compliments, but I think in all justice and equity it is appropriate to recognize his outstanding ability and the eminent services he has rendered, both to his country since he has been in office and to the allied cause during the last conflict.

Although the foregoing has been truly said without any political intent, I may add that the fact that he is one of the true Liberals in this house and in the cabinet far from detracts from the personal admiration I have for him.

To get back to the subject of my remarks, I wish to repeat my last quotation of the minister.

If we could remove the one difficulty of lack of dollars on the part of Britain we would have solved many of our problems.

This seems to be substantiated by the conditions prevailing during the war when we supplied the United Kingdom with the necessary amount of dollars to secure in Canada what was needed in the way of food and armament. Let us examine therefore the summary of balance of payments transactions between

Canada and the sterling area, mainly the United Kingdom, from 1940 to 1945. We find that total current expenditures in Canada on account of the sterling area amounted to the fantastic sum of $10,430 million. The expenditure of such vast amounts has evidently boosted the Canadian economy and accounts for much of the wartime prosperity for those six years. Sales of food products to Great Britain amounted to $2,290 million. To facilitate an understanding of my argument, I ask the consent of the house to include at this point in *Hansard* a short summary of the balance of payments above mentioned as taken from page 38 of the Canadian Balance of International Payments, 1926 to 1948.

Mr. Deputy Speaker: Has the hon. member the consent of the house?

Some hon. Members: Agreed.

Mr. Picard: The following is the table:

Summary of Balance of Payments Transactions Between Canada and the Sterling Area, 1940 to 1945

(Millions of Canadian dollars)

Current expenditures on account of the sterling area in Canada:	
Exports on United Kingdom account	
Munitions and ships	4,047
Food	2,290
Wood products	479
Non-ferrous metals	654
Other commodities	264
Total	7,734
Exports on account of other sterling area	1,113
Freight	822
War services	561
Other current transactions	200
Total current expenditures in Canada	10,430
Current payments by Canada to the sterling area	
Imports from the United Kingdom	680
Imports from other sterling area	670
Overseas expenditures of Canadian government	2,597
Interest and dividend payments	357
Freight and shipping	235
Other current transactions	261
Total current payments by Canada	4,800
Net requirements of the sterling area for financing current expenditures	5,630
Methods of financing gap in current account	
Billion dollar contribution	1,000
Mutual aid by Canada to sterling area	2,002
Interim advances by Canadian government to United Kingdom and India	206
Loan of $700 million to United Kingdom in 1942 (net)	561
Official repatriations of securities by Canada	703
Private repatriations of securities by Canada	292
Sales of gold and United States dollar to Canada	504
Other capital movements	362
Total capital and special transactions	5,630

There now remains to be seen how the expenditures were financed, which also can be found in the summary just tabled, as divided between current payments by Canada to the sterling area amounting to $4,800 million, and methods of financing the gap in current account which amounts to $5,630 million.

For the sake of my argument I should like to divide the financial operation in the following manner, what was received by Canada in payment and what was actually paid or absorbed by Canada. In the first I would include imports from the United Kingdom and other sterling countries which amounted to $1,350 million, and repatriation of securities, official and private, $995 million. Since these figures are included in the table which has just been put on *Hansard,* and since my time is short, I will skip over the details. The analysis of this table will show that Canada absorbed or financed $7,216 million, $3 billion as a gift, $2,597 million as the cost of our overseas war expenditures, et cetera. It can therefore be said, Mr. Speaker, without any exaggeration that we have done more than our share, as will be seen from the summary I have just tabled, to help Great Britain in her hour of stress, but it must equally be admitted in all fairness that the Canadian workers and farmers have benefited by the policies of the government.

There is, however, a restriction and an important one to be made. Canada's finances remain heavily burdened by these financial operations while we would have fared better had we asked Great Britain before we became overgenerous to liquidate all her Canadian assets before we entered the contribution or gift era.

Mr. Brooks: Why not take her shirt?

Mr. Picard: The hon. member for Dufferin-Simcoe (Mr. Rowe) said that we should do as much as we can to help Great Britain get the necessary dollars to buy more of our products. I hope he will agree with the proposal I am about to make which will show that she can get the dollars for that purpose. In 1939 British investments in Canada amounted to $2,476 million, and in 1947, the last year for which I could get figures, they stood at $1,642 million. I have already outlined, when I spoke on the mutual aid bill on May 11, 1943, that the so-called repatriation of Canadian National Railways bonds was just a shifting of figures from private shareholders to the Canadian government, but at the time I advocated that we should avail ourselves of a provision contained in the mutual aid bill which read:

That the governor in council may determine the terms and conditions upon which such war supplies

are made available to any of the united nations and may require in certain cases payment or repayment in kind or property or reciprocal action or provision of supplies or other direct or indirect benefit as may be deemed appropriate.

I held at the time that Great Britain should buy all the Canadian securities held in that country and turn them over to the Canadian government. This was no extraordinary procedure. It had been followed as to United States securities held in Great Britain and in that regard I wish to quote from a report published in the Federal Reserve Bulletin reading as follows:

At the beginning of the war, in August, 1939, the British owned about $950 million worth of United States securities.

Summarizing the balance of the quotation, between that time and the end of 1940 they had liquidated $334 million, and of the remaining $616 million $389 million were either sold or were pledged to the reconstruction finance corporation against loans that government corporation made to Great Britain during the period January-August, 1941. Another $60 million were held to be pledged with the reconstruction finance corporation at September 1, 1941. This left $167 million in securities which had not been repatriated between that time and the end of 1943.

The same thing was done by Great Britain as regards Argentine securities held in Great Britain. I was not the only one to advocate that at the time. The *Financial Post* on September 30, 1939, had foreseen the move as inevitable. It even quoted from a government statement dated September, 1939, which ended with the following words:

In the first instance Canada's assistance in supplying food and ammunition to Great Britain will probably involve repatriation of Canadian securities held in London and, at a later stage, the granting of credits.

That was in September, 1939, more than ten years ago, but there are still $1,642 million of Canadian securities held in Great Britain on which we paid during the six years of the war $357 million, and on which we were still paying in 1947 $53 million per annum. However, credits and even gifts were granted before repatriation was asked for. It is evident that some financial experts have changed their minds between the first declaration of the government and the time when the policies were definitely established.

Yet had we then acted as the United States and the Argentine did, we would be one step further in the logical solution of our railway problems, which were mentioned this afternoon by my friend from Dufferin-Simcoe, since the government would have acquired free of charge the control of the Canadian Pacific Railway which we are letting drift into United States hands. In 1937 54·89 per cent of the common or ordinary shares of the Canadian Pacific Railway, representing $175 million, were held in Great Britain as well as 95·09 per cent of the preferred stock, $133 million, and at least $285 million of the company's bonds. If in return for our gifts of $3 billion Great Britain had acquired and transferred the C.P.R. securities amounting to $593 million, she would have had still to thank us, and the first step in the solution of our railway problem would have been made at no further cost to the treasury, a substantial improvement over what was done in the days of the Canadian Northern and the Grand Trunk railway.

Even if there is no excuse for not repatriating these securities during the war, the opportunity is still there of using this $1,642 million to good advantage. Here comes my suggestion to help solve our marketing problem. The Minister of Agriculture (Mr. Gardiner) said:

If we could remove the one difficulty of lack of dollars . . . we would have solved many of our problems.

This afternoon the hon. member for Dufferin-Simcoe said, "Let us help Great Britain get the dollars". To this I answer that Great Britain has a potential fund of over one and a half billion dollars to purchase Canadian goods which, distributed over a period of years, would ensure Great Britain of her necessary supplies and Canada of her necessary market.

Before examining a method of effecting an orderly repatriation of these securities it may be worth while to investigate the nature of these values. I will just give an outline of what they are. Canadian bonds held in Great Britain in 1946, mainly government and municipal, amounted to $105 million; railways and utilities, $315 million; corporations, $97 million; common stock holdings amounted to $675 million, most of which was in railway issues. The balance of $357 million represented British direct investments in Canadian branches, subsidiaries and other companies controlled in the United Kingdom.

The technique of such a repatriation can easily be established by the Bank of Canada and the foreign exchange control board. The British government knows where these securities are. They have been registered, and they might actually buy them at a price equivalent to their market values. Owners might receive all or part of the purchase price by way of sterling bonds. The securities could then be handed to the Bank of Canada which, with the foreign exchange control board, has facilities for their orderly liquidation on the Canadian market. Some of them could even be sold on the United States

market if necessary. Some may say that in this way the ownership of more of our industries would pass to the United States. I do not see that we would be any worse off than if these securities remained in Britain; at any rate the same result is achieved by the private sale of Canadian securities by the British on the United States market, although with the proviso that each time a security is sold it is credited to the British account here in repayment of the loans already made.

No better example could be found than that of the Canadian Pacific Railway, which I mentioned a moment ago. In 1937, as I said before, Britain held 54·89 per cent of the ordinary shares of that company while the United States held 22·22 per cent. According to the 1949 report of the Canadian Pacific Railway, the last report we have, as of December 31, 1948, Britain held only 37·49 per cent of the stock of the company, which meant that these securities had been disposed of privately. At the same time, however, the United States held 43·41 per cent of the stock. Thus control of the Canadian Pacific Railway, instead of having been given to us outright, now is passing into United States hands. If any such liquidation had been part of a marketing deal at least we would have derived some benefit from the transaction.

Furthermore, having control of the Canadian Pacific pass into United States hands might very well have a considerable repercussion on the finances of the Canadian National. What if a powerful United States empire, such as was built a few years ago by Robert Young of the Chesapeake and Ohio, obtained control of the Canadian Pacific? Such a company could immediately route most of its Canadian business through its Canadian subsidiary, or to be more exact the Canadian company it controlled. It is not to be forgotten that seventy years ago the Canadian Pacific received about as much in the way of subsidies as the companies that now constitute the Canadian National. At that time the company obtained from the government vast areas of land, of which a large proportion still appears to be their property. This might be an added incentive for the country to regain control of the railway, rather than see outside interests profit by the accrued values of such lands, particularly in Alberta.

This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) put the question: How can we sell to the British if they have no dollars? Well, here is a source of dollars which I suggest to the Minister of Agriculture (Mr. Gardiner) and the hon. member. Of course the main question remains: if there were no dollar shortage, how much more would the British buy from us? The reason given the public for the curtailment of some of the contracts is the lack of dollars, but it might well be that the matter of price is an equally important factor, since it has been customary for Britain in time of peace to be a tough bargainer, to forget the interests of the commonwealth at large and to think only of herself. This afternoon the hon. member for Dufferin-Simcoe said, "Don't sell the British commonwealth short". I have here an article from New Zealand which says "Britain is turning back to the empire".—Well, the British act like real businessmen and drive a hard bargain, while we are sentimentalists. I do not blame them for that either. During the war we went so far as to give our wheat to Britain for less than we could have obtained for it elsewhere. That was another sacrifice we made in the hope of gaining the gratitude of Britain and keeping those markets after the war. Most of what we have done, and most of the negotiations the minister has carried on, had as their ultimate aim the retention of those same markets following the war.

In conclusion, Mr. Speaker, I hold that we cannot overlook any method which may facilitate the marketing of our agricultural surpluses. Britain appears to be a natural market; in that I agree with the hon. member for Dufferin-Simcoe. It is a natural market, but it is increasingly restricting its purchases from us, and Britain will continue to be a tough trader in the years to come. The difference between Britain and Canada is that Britain has the practical sense of doing business in a businesslike way, of fighting wars to ensure either her supremacy or her survival. On the other hand we are sentimentalists, who fought wars in the past more because of the attachment of some of our citizens to their former mother country than because of any actual threat to our country. We have also been in the habit of not daring to ask for what others get as a matter of right, such as the repatriation of our securities, and of disposing of our wheat for less in the hope that gratitude might be our reward. At the time that was a good policy; that was one of the efforts made by the government to ensure those markets after the war; but business is not transacted in that way by Britain. She buys where she thinks she gets the better bargain, be it with yesterday's enemy or tomorrow's potential adversary; and she speaks of imperial loyalty only when she expects it from others.

The moment has come, I submit, to try to impress upon her the advisability of reciprocating in time of peace; this also was suggested this afternoon. We have failed to

arouse her gratitude; let us try now to convince her that it is in her own best interests to co-operate, that it is in her best interests to trade with us, even if it costs a cent more a pound; and let us provide the dollars she needs by the repatriation operation I have outlined.

Mr. A. J. Brooks (Royal): Mr. Speaker, it is not my intention to follow closely the arguments we have just heard from the hon. member for Bellechasse (Mr. Picard). I may say, however, that I agree with his statement concerning social security measures for the helpless. I also agree with what he said as to obtaining markets for our farmers. I cannot agree that the farmers of this country are better off than ever before. I know that in my own part of the country the farmers are paying more for what they purchase than they ever paid; and I also know that never in the history of this country was the cost of living as high as it is now.

Neither can I agree with the statement just made by the hon. member for Bellechasse that we should liquidate all our assets in Britain. One great reason Britain was such a great market for our produce in the past was that she had these assets, not only in this country but all over the world, which made it possible for her to purchase goods from all countries. So I cannot agree with the suggestion that we should take away practically everything she has. During the war Great Britain suffered more than any other country; Great Britain helped practically every ally she had, except the United States; and now we should not strip her of her assets and still expect her to be the great market she has been in the past.

Before entering upon a discussion of the matters contained in the speech from the throne I should like to endorse the tributes that have been paid to my late seatmate, Tommy Church. He was deserving of everything that has been said of him. I do not altogether agree that he was old-fashioned in many of his ideas. I believe that the principles he held represented the feelings of more people in this country than we have been led to believe by some of the statements made in this House of Commons.

I want to add my congratulations also, Mr. Speaker, to those extended to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne. They did a good job, there is no question about that. I think they will be quite satisfied with the just praise they have received. I wish to extend my congratulations to the hon. member for Grey-Bruce (Mr. Harris), who has joined the cabinet ranks. I have congratulated him personally, and all I can say now is that I cannot wish him many long years in the cabinet; but, for the few years in which I expect this government to remain in power, I do wish him every success.

During the debate on the speech from the throne, Mr. Speaker, an opportunity is given hon. members, as representatives of the people, to discuss conditions in the country, and to present to parliament the views of their own constituents concerning the needs of the country as they see them. I shall only touch on a few items this evening, and time will not permit an extensive review of them. I might say that the aftermath of the great war left many problems. One of the greatest problems, of course, was the rehabilitation of our returned men. It also left us with problems in the readjustment of industry, trade, and the whole economy of our nation. These problems extend over a long period of years, and a wise government prepares for such problems.

After five years of peace, Mr. Speaker, and after the experience of all countries following the first great war, it was expected that the situation in this country would have been well in hand by now. The readjustment should be complete, but unfortunately this is not the case. We are in the midst of an economic situation which has resulted in the worst unemployment problem we have had since the end of the war. Apparently it is growing worse all the time, despite the assurances we have had from government officials. The debate on the unemployment situation, and on the unemployment insurance bill which was before the house, indicated to this house and to the country the grave situation which faces us.

In my own section of Canada, the maritime provinces, the unemployment figures are the second largest for any part of Canada. This is usually the case in the maritime provinces whenever there is a recession. I was greatly surprised upon reading one sentence in the speech from the throne, to the effect that employment and prosperity remain at a high level in Canada. We all know, Mr. Speaker, that is not a fact. Employment and prosperity do not remain at a high level in Canada. This is particularly true, as I say, in the maritime provinces. We in the maritime provinces are the first to feel a recession because our chief asset is the primary producer. We are not secondary producers. Mining, fishing and agriculture are the industries upon which we depend. It is a well-known fact that any country, or any section of a country, which has to depend on primary products is a section which first feels the depression.

I should like to read a short article from the Moncton *Times* about the situation in the maritime provinces. It appeared a few weeks ago, and is written by J. P. Crossman. It says:

There is an air of grim foreboding throughout the rural areas of Kent county.

I may say that Kent county is one of the counties in the northern part of New Brunswick.

"There is no work in the woods", is the sad tune, and a brief survey of the situation proves this statement to be a fact.

No more does the ring of the chopper's axe or the whine of the saw pierce the stillness of the forest; gone is the feverish activity which had marked the forest industry of this area in past years. Instead, the farmers, the small woodlot owners and the labourers are idle, awaiting a solution to a problem which is of vital interest to their very existence.

That paragraph, Mr. Speaker, represents the situation in a large area of the maritime provinces.

The article goes on to say:

The forest industry is dead.

That is one of our great industries in the maritime provinces.

A slump in the pulpwood market started the decline early in the year and the loss of the British pit prop market had been the final death blow.

As I said a few moments ago, there is no manufacturing in this section of the country. The people depend upon the forests for a living. For years the long lumber which we shipped to Great Britain was the main industry upon which the people of New Brunswick and part of Nova Scotia depended. That market was lost over a year ago. In past years, hundreds of thousands of cords of pit wood and pulpwood have been shipped overseas and by rail. This has been lost as well. The pit prop industry has meant over $9 million a year to the people of the maritime provinces. When an appeal was made to the Minister of Veterans Affairs (Mr. Gregg) and to this government to see what could be done about the pit prop industry, the laconic reply was that "pit props were out", and pit props were out, Mr. Speaker. Many of the people in the province of New Brunswick are today unemployed as a result of that.

The people in the northern part of the province of New Brunswick have despaired of any assistance from this government. First, they appealed to the minister from our province. Then they appealed to the local government, but they received no assurance of any action. Today they are taking the matter in their own hands and are sending a delegation to Great Britain to see if they can do what the Minister of Veterans Affairs and the Minister of Trade and Commerce (Mr. Howe) and the provincial government failed to do for the people who depend on this industry for a living. It is not only the men in the woods, Mr. Speaker, who suffer as a result of the loss of this trade. There are hundreds of longshoremen in the Miramichi valley, in Richibucto, Chatham and Bathurst, who are also out of work because no pit props or pulpwood have been shipped from the northern part of the province of New Brunswick. In addition to that, the hundreds of men who truck these pit props and pulpwood to the ships are out of employment. The garages have lost business and the merchants have lost business. It is for these reasons that business in the northern part of the province of New Brunswick is practically at a standstill today.

The main reason, Mr. Speaker, for this lack of markets for pit props in Great Britain is the non-convertibility of our currency. For some years, we have pressed for a solution of this problem. If it had not been left to the late date it was, I do not believe we would now be faced with this great problem. A short time ago the Lumbermen's Association met in Montreal, and put forward what they considered might be two solutions for the situation. First, they recommended the lifting of trade restrictions. Second, they said there should be a free exchange of money between countries. I am sure if this could be brought about, Mr. Speaker, it would be of material aid.

I should like to agree with those who have said that the British market is our best market. If that is true for Canada, Mr. Speaker, it is more than true for the people who live in the maritime provinces. For years, we have sold our lumber in Great Britain and in sterling markets of the West Indies. Years ago these were the two great markets for the people of the maritime provinces. Today we have neither of them. We cannot sell to what we call Upper Canada because of the heavy freight rates and the great cost of transportation and also on account of the competition which we have to meet in this market. But if we had the British market and if we had the West Indies market, I believe that the people of the maritime provinces would be prosperous.

I should like to quote none other than a former minister of trade and commerce, Hon. J. A. MacKinnon. Speaking in the city of Saint John a few days ago, when he arrived back from the West Indies, he said:

The people of the British West Indies regret the present trade restrictions with Canada and I heard the proposal advanced that their representatives may approach the Canadian government to see if arrangements can be made whereby this lucrative trade can be expanded.

I hope they do approach our Canadian government, and I hope they come to some

agreement; because I believe it would be of great benefit to the West Indies as well as to ourselves.

I sometimes wonder, Mr. Speaker, if we are buying from Great Britain as much as we could and should. It is a sort of habit for some members of the government to blame Great Britain when we cannot sell certain products to her. But are we buying from her as much as we could? I ask this question after reading an article I saw in Toronto *Saturday Night* a short time ago, on January 10. It had to do with the purchase of television equipment in this country. Great Britain could have supplied this television equipment; but instead of its being purchased from Great Britain, thus giving us a better opportunity to trade with her, it was purchased from the United States. I think the excuse used was that it was not thought that Great Britain could supply as good material. But as this article says, Great Britain has some of the best technical engineers in the world. She is the country which pioneered in radar. She has also been pioneering in television. Other countries are buying their television equipment from Great Britain. If we want to be fair and if we want to get an exchange of currency with which to trade, there is no reason in the world why this large order should not have been given to Great Britain, and there is no reason in the world why the government of this country should not set the example with regard to purchasing from her.

Mr. McCann: Would the hon. member not prefer to have the equipment made in Canada?

Mr. Brooks: It is made by the General Electric Company—

Mr. McCann: Seventy per cent of it is made in the city of Peterborough.

Mr. Brooks: —which is a subsidiary of General Electric in the United States.

Mr. McCann: Ask your colleague behind you which he would prefer.

Mr. Drew: Do the ministers mean what they say when they talk about developing trade with Great Britain?

Mr. McCann: I mean employment for Canadians.

Mr. Brooks: This article goes on to say as follows:

> "If Canada won't give us a chance to get into new fields like this," said one British official, "there is no hope whatever of closing the dollar gap—or of our buying more from Canada."

We in certain sections of this country are starving for trade with Great Britain. Our government says that, if Great Britain will sell more goods to us, we shall be able to sell more goods to her. My point is that when there is an opportunity for us to trade with Great Britain, such as there was in this case, it should have been done if the government is sincere in what it says about developing trade.

I should also like to refer to a similar situation in the United States which also emphasizes the point that I am trying to make. For instance, the city of Seattle in the United States wanted to buy some generators and advertised for tenders. The British put in two bids. The Americans put in certain bids. Great Britain's bids were many thousands of dollars lower than the bids in the United States. What happened? Here is what I read from the *Christian Science Monitor*:

> Here is the story of the first really big effort by the British to act on Washington's advice and take advantage of Washington's formal promise: The bids were opened, disclosing that there had been seven bidders, of whom two were British, and that the two British bids were very much lower than any of the American bids. Lowest bid was by Ferranti Limited at $515,000. Next lowest was by English Electric at $572,000. Lowest American bid was at $720,000, and other American bids ranged up to $1,321,000.

This was the same company, the General Electric Company; and this article goes on to say that certain excuses were made for not buying from Great Britain. The first one was that the distance from the factory in England to Seattle was too great in case of a breakdown. But as the British pointed out, they had a branch office in Toronto which could have supplied service and attended to any breakdown that might have taken place. They also pointed out that they could have supplied eight generators for the same amount that it would cost to get six generators in the United States.

Then when that excuse did not suffice, it was next said that Ferranti has no experience in building generators for use in such remote and northerly climes. Yet at that very same time Ferranti, that great British company, was building generators for Helsinki in Finland, and had been building this sort of equipment since 1889 and sending it all over the world. The real excuse was given to a reporter by the Seattle purchasing agent who said:

> I imagine we would have had considerable reaction from American manufacturers if we had accepted a British bid.

This article goes on to say:

> One of the American manufacturers concerned is General Electric, chairmanned by Philip Reed, who as president of the Anglo-American productivity council is a leading advocate of bigger British sales in the U.S.A.

The British ambassador said: "Do you really want to buy our goods, or don't you?"

I mentioned those two cases, Mr. Speaker, because I think they illustrate that there is

insincerity somewhere in this country and in the United States with regard to our purchases from Great Britain. As I said a moment ago, in my part of the country at least we feel that every effort should be made to make purchases from Great Britain so that we might be able to sell some of the goods we have, on whose sale depends the very livelihood of the people in that part of the country.

I should like to say a few words with regard to a matter which was before the house the other day, namely, the taking off of trains and the purchasing of coal. It is not necessary for me to deal with this matter to any great extent. The hon. member for Cape Breton South (Mr. Gillis) has already spoken about it, as has the hon. member for Inverness-Richmond (Mr. Carroll), and pointed out that it was not necessary to take off 25 per cent of our trains in the maritimes, and that a million tons of coal could have been obtained by the Canadian National Railways for the service of trains at least in that part of the country. There could also have been coal purchased from these maritime mines for the service of trains in other parts of Canada, had it been looked after at the proper time. The other day the minister said it was only fair, because there was no coal here in Ontario, that all people across Canada should be used alike. That is, because it was not possible to obtain coal for trains here in Ontario we in the maritime provinces, where there is lots of coal, should have our service reduced by 25 per cent.

The city of Saint John and the city of Halifax used to have a midnight train running from Saint John to Halifax, and back from Halifax to Saint John. We had Sunday trains, but these have been taken off. It is not possible for anyone to travel from either of these two large cities in the maritime provinces from Saturday at noon until Monday at noon.

I do not think such a condition would be accepted for one moment in any other part of Canada, and in my opinion it would not be inflicted upon any part of Canada except the maritime provinces. I believe it was in 1931 when these trains were taken off once before, and they were off for nearly fifteen years. That was supposed to have been a temporary reduction in our train service. However, they were taken off in 1931 and were not replaced until 1946. I hope the minister will not have the present temporary reduction of service last quite that long.

I should like to take some time to mention what I believe we need in the maritime provinces. In that part of New Brunswick which has lost its pit prop and pulpwood business, and where the long-lumber business is out, they need temporary assistance. The government will have to start some public works. But the people down in that section of the country do not want to live on old age pensions, unemployment insurance or mothers' allowances, as they were told by one of the members of the legislature at Fredericton. They want work, and the opportunity to work.

The immediate need, so far as these people are concerned, is a backlog of public works. Towns such as Bathurst, Newcastle, Chatham and others have organized citizens committees, the main object of which is to try to find whatever employment they can for the people living in that section of the country.

Taking the long view of the matter, we want markets for our products. We want the British markets; we want the West Indies market. We also want the development of hydroelectric power in the maritime provinces. In presenting the estimates to the house, the Minister of Finance (Mr. Abbott) said, as reported at page 198 of *Hansard*:

> In approving the programs for the various departments' expenditures, the treasury board have had in mind the general economic situation in the maritime provinces and the coastal areas of Quebec, and the government's desire to promote the economic development of this general region, which has encountered greater economic difficulties than the other major regions of the country.

We approve of that statement, and we are wondering just what he is going to do in order to improve the economic position of the maritime provinces. I would tell him what we need. As I said a moment ago, we need markets and, secondly, we need cheap electric power.

I was interested today, as I am sure all hon. members were, to hear about the further development of electric power at Niagara Falls. We have no objection to that, although it will cost many millions of dollars, and will have to be paid in part by those of us from the maritime provinces. We are willing to assist in that project. Then the question was asked: "Will this interfere with the development of the St. Lawrence waterways?" And the answer was "no". There will be power developed along the St. Lawrence river. We in the maritime provinces will help to pay for it, but we will not receive one cent of benefit so far as utilizing that power is concerned.

We have vast quantities of power in the maritime provinces which could be developed, and in justice to those great developments taking place in other parts of Canada, I say

it is only fair that we should receive consideration. As I said before, we want cheap power.

At a recent meeting of the maritime board of trade held in Moncton, New Brunswick, the harnessing of the tides in Passamaquoddy bay was the outstanding matter debated. This is a tremendous scheme, and if undertaken would be one of the largest in that section of the country. It would be a joint undertaking, and has already been investigated by engineers of both the United States and Canada and found feasible.

It is estimated that the development of the tides in Passamaquoddy bay would be capable of producing over half a million horsepower of electricity. This gives some idea of the amount of power that would be available for the development of industry in the province of New Brunswick, as well as in Prince Edward Island and parts of Nova Scotia.

It is believed that the completion of this scheme would witness the beginning of an era that New Brunswick has long looked forward to, and with the cheap power developed that section of the dominion could well be placed on a firm foundation for industrial development. The development of this power has been dreamed of upwards of 40 years.

I repeat, if the government wishes to assist, they should give their blessing to the development of a project such as that.

May I now read from the Toronto *Star Weekly* of November 19, 1949, regarding this same matter. This article was written by J. E. Belliveau, and states:

"Some day down here in Maine we'll milk our cows by the pull of the moon." That's the prediction of a windbeaten, sturdy old Lubec fisherman. He goes on to say, "and over in New Brunswick," which is so close a bush league pitcher with a fair throwing arm could heave a baseball across the channel and hit Campobello island, "there will be industry unthought of today."

It's not so fantastic as it seems, for strong-minded, down-to-earth easterners long since set out to make reality out of man's ancient dream of harnessing the moon by controlling the tides for electric power. For half a century the idea of trapping the tremendous flow of the Bay of Fundy has been actively considered. One of the world's great hydro engineers, Dexter P. Cooper, started to work out its possibilities as early as 1912. Franklin D. Roosevelt, who was to become president of his country, watched those gigantic tides sweep through the narrow Lubec-Campobello channel in his boyhood. He, too, dreamed dreams and through youth and manhood held on to them. Then, in the 1930's, he went about making them come true.

The Americans started to develop this project in 1930 but, owing to the depression, they abandoned it. But Senator Brewster of the state of Maine, and Senator Smith—I believe the only lady senator in the United States—as well as President Truman, are pressing for it at the present time. We know that at one time Canada objected because it was thought it would interfere with our fisheries. I think that has been disproved. Mr. Emery, who was the mayor of Eastport in the United States, a great fish packer, has said that there is nothing in that at all. I think I should like to quote this gentleman who said:

Our economy is seasonal now, both here and in New Brunswick. Quoddy is our only hope. Every engineer consulted says the power can be harnessed. If it is economically reasonable, we know Quoddy will be built, despite all obstacles. We would like to see it settled once and for all. I'm getting on now, been pushing this for 25 years, and it could do me no good. But I would feel satisfied if I could live to see this magnificent scheme become a reality.

There will be other opportunities to discuss this matter. If the government is sincere in wishing to bring economic benefits to the maritime provinces they, if the United States is agreeable, should undertake this project which would help us most of all, a project which could provide cheap power for our provinces.

I hardly think it is necessary for me to mention the Chignecto canal. I do believe that if this project had been proposed in any other part of Canada it would have been carried out long ago. I hope it will receive careful consideration by this government because it will mean much to the people of the maritime provinces. It is not my intention to dwell at length on this tonight except to say that there is not a board of trade, a branch of the Canadian Legion, a Kinsmen's club or a branch of the Knights of Columbus or any other organization in the maritime provinces which is not one hundred per cent behind the development of the Chignecto canal.

In closing may I say I was pleased indeed to note in the speech from the throne that a bill will be introduced to bring veterans of the British and allied forces resident in Canada within the scope of the War Veterans Allowance Act. This is belated justice and should have been done years ago.

An hon. Member: It is not done yet.

Mr. Brooks: We have not got it yet, but I have enough confidence and faith in our veterans minister to believe that it will be done. As I have said in committee, and as almost every member of the veterans affairs committee has said for many years, these men should have received this consideration long ago. British veterans who fought in the first great war and then came out to this country to raise families who fought in the second great war should receive the consideration to which good Canadian citizens are entitled. I commend the minister for having this proposal in the speech from the throne. I shall

have more to say on it later. It will be rendering justice to these men who have deserved it for many, many years.

Mr. P. E. Wright (Melfort): Mr. Speaker, my first words shall be to compliment the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne on having been selected by their party for this great honour. The mover, as a young Saskatchewan farmer, in his speech expressed some doubt about the effectiveness of the government's measures to deal with the situation that exists in Canada today. He said, as reported on page 27 of *Hansard:*

> I feel that I may be open to criticism for not taking issue with the government on some of the matters of a more contentious nature.

I am sure that when he returned to his constituency after the session last year he, along with other Saskatchewan members, was met with criticism of certain actions of the government and expressions of doubt as to the effectiveness of the measures being taken by the government to meet some of the problems facing this country today.

Before dealing further with that however I should like to compliment the hon. member for Grey-Bruce (Mr. Harris) upon his elevation to the position of Minister of Citizenship and Immigration. I am sure he carries the best wishes of members of all groups in the house that he may have success in the organization of that new department and in instituting policies in connection with citizenship and immigration which will be of benefit to the country.

It has always seemed to me that we have neglected citizenship in this country. I can remember when I went to western Canada many years ago. Many of the new people who had come to the country who wanted to get citizenship papers generally applied to a political party. Then just before an election, if the party thought they might secure their support, citizenship papers were obtained for them. As a result many of our new citizens felt a greater allegiance to the political party which had obtained their citizenship papers than they did to the country of their adoption. I think the department should have some educational program for our new citizens. When they secure their citizenship papers the people in the community where they live should have some function or social gathering at which these people would be welcomed as new citizens.

Then a word with regard to immigration. It takes a brave person to say at a time when there are 375,000 unemployed in this country that we should have more immigrants. However, let us look at the situation in Canada. Consider the great iron resources in Labrador and northern Quebec. Consider the great resources of nickel in Sudbury and northern Manitoba. Think of the immense resources of oil in Alberta and Saskatchewan. Yet with all these resources, with the great need we have for development, there are 375,000 unemployed.

Is there any reason for that? Surely there are things to be done in this country which could provide work for the people we have here. What is the situation with respect to our markets? We ship out our resources, in the form of either raw materials or semi-finished materials, to Europe to be manufactured into articles which are used here and throughout the world. Then we send food to feed the people who are processing our raw materials.

It seems to me that it would be more sensible if we brought some of those industries to this country, with the people to work in the industries, and processed our raw materials here instead of continuing as we are doing today. We have no markets for our food and yet we are sending our raw materials out of the country to be processed. We are finding ourselves in a position where we cannot get paid for the products that we do ship.

It is a matter of organization, a matter of having a planned economy in the country under which we could not only produce but finish the products from our raw materials. An intelligent immigration policy which would bring industries to this country along with the people to work in them would provide at least a part answer to the problem of markets.

I should like to deal tonight with a matter which I raised the other day in the house at three o'clock. When the report of the Canadian wheat board was tabled I asked if it would be referred to the standing committee on agriculture. Hon. members of the house will recall that in 1947, when the Hon. Mr. MacKinnon was Minister of Trade and Commerce, he told the house that these wheat board reports would be referred to the agricultural committee each year. Unfortunately we have had three years go by without one of them being referred to the committee.

On the tabling of the report the other day I was surprised to see some of the information in it. I know that before the last election the government did not give information to the people with regard to quite a few things that were taking place in this country. Among them is the situation which existed as to the wheat board. I hope no one tonight will take anything that I say as criticism of the wheat board or this method of marketing.

What I am criticizing is the fact that it is quite evident from this report that the government used the wheat board for political purposes before the last election.

Some hon. Members: No, no.

Mr. Wright: To substantiate that claim I am going to read from the report itself and then ask members of the house if that is not the case. On page 18 of the report, under the heading of "Bank loans", it states as follows:

> In accordance with the provisions of order in council P.C. 919 of February 24, 1949, the initial price paid to producers was increased from $1.55 to $1.75 per bushel basis No. 1 northern wheat in store Fort William/Port Arthur or Vancouver. This increase became effective on April 1, 1949, and under terms of the same order the board was directed to pay to producers the sum of 20 cents per bushel in respect of deliveries by producers to the board on the 1945-49 pool account for the period from August 1, 1945 to March 31, 1949. This payment involved a cash distribution by the board of $213,445,541.88 which was commenced on April 1, 1949.

I would ask hon. members to note this:

> To meet this and other cash commitments, the board as at March 31, 1949, had funds on deposit with the chartered banks totalling $25,051,551.87 and investments in Dominion of Canada ⅜ per cent treasury notes in the amount of $40 million.

In other words, they had liquid assets of approximately $65 million to start a payment which involved over $213,445,000. I continue:

> The funds provided from the foregoing sources together with funds received from daily operations of the board, permitted the board to meet its cash commitments from April 1, 1949 to June 8, 1949. On this latter date board funds became exhausted and on June 9, 1949 the board commenced to borrow its daily cash requirements from the chartered banks at the established interest rate of 3 per cent per annum compounded monthly. As at July 31, 1949 loans from the chartered banks totalled $23,795,698.28 and accrued interest thereon to the foregoing date amounted to $3,911.62.

On page 9 it states as follows:

> Interest earned by the board on surplus funds exceeded interest paid by the board during the first three years of the five year pool. In 1948-49 interest paid by the board exceeded interest earned by $1,366,659.59.

I ask members of the house if they were on a co-operative board, or on any other board of directors in this country, would they start a payment of over $213 million when they only had liquid assets of $65 million with which to meet such payment? There was a great deal of criticism in western Canada, and certain people said the government was bribing the voters there with their own money by the 20 cent interim payment on wheat certificates just before the election. According to this report they were borrowing the money from the chartered banks at 3 per cent compounded monthly to make that payment.

[Mr. Wright.]

Mr. Gardiner: May I ask the hon. member if he is not aware that every farmers' organization in western Canada, including the pool locals, were asking for that 20 cent payment before seeding, and is he not aware of the fact that there could not be enough money to pay it without borrowing?

Mr. Wright: I want to answer the minister right there. The farmers of western Canada and the pools never asked for a 20 cent payment. They asked for a payment, and if the farmers of western Canada had known—

Mr. Gardiner: I can produce resolution after resolution where they asked for 20 cents.

Mr. Wright: If the farmers of western Canada had known that the government was going to the banks to borrow the money at an interest rate of 3 per cent compounded monthly to make that payment, when in a great many cases the men who were receiving payment were paying 15 per cent to 30 per cent of it at least back to the government in income tax—

Mr. Gardiner: Only a week ago my hon. friend asked to have payment made for this year. How does he expect payment is going to be made if you do not borrow money at the bank?

Mr. Wright: I asked that question before we had this report tabled in the house.

Mr. Gardiner: Do you want it withdrawn?

Mr. Wright: I certainly know there is nothing left there to make a payment with now. I know that no sensible board of directors in this country, and no co-operative board, with the facts contained in this report before them, would have made a 20 cent payment last year. They should have made a 10 cent payment and kept the other 10 cents to be made this year.

Mr. Gardiner: We are quite satisfied to leave that with the farmers in the drought area who asked for the payment last year.

Mr. Wright: As a result of making this payment it has meant that the farmers of western Canada are paying to the banks several million dollars in additional interest charges on money paid to them, 15 per cent to 30 per cent of which they have had to turn around and pay back in the form of income taxes.

Mr. Gardiner: There is no other way of making payment in the spring when a very considerable part of the crop is still to be sold.

Mr. Wright: A 10 cent payment could have been made with very little borrowing at that time, but to make good fellows of themselves the Liberal government went out and paid

20 cents, and went to the banks and borrowed the money to pay it at the expense of the farmers, not at the government's expense. When the wheat board had money invested in treasury notes they received five-eighths of one per cent interest on it—

Mr. Gardiner: You got a part of it; they all did.

Mr. Wright: —but when the board went to borrow money they had to pay 3 per cent compounded monthly.

Mr. Gardiner: You are the only farmer in Saskatchewan who did not know that.

Mr. Wright: I am certain that no board of directors would act in that manner. I am certain that the wheat board did not make that 20 cent payment of their own volition. It was made by order in council of this government, and if the wheat board had been asked whether or not a 20 cent payment was justified they would have said no.

Mr. Gardiner: That is the way it will be made this year, if it is made, or any other year.

Mr. Wright: That is the situation with regard to these payments. It was a deliberate use of the wheat board by the government for political purposes. I am one of those who believe in the wheat board. I am one of those who believe that is the proper way to market our grain, but this government tries to give it a black eye—

Mr. Harkness: Those were the 20 cent votes.

Mr. Wright: —by forcing it do something which any other business organization would not do.

Mr. Stewart (Yorkton): May I ask the hon. member a question?

Mr. Wright: If the hon. member for Yorkton will just sit down he can say what he wants to say when I am finished.

The Acting Speaker (Mr. Beaudoin): I must remind hon. members that the member who has the floor is not to be interrupted unless he accepts the interruption.

Mr. Wright: Tell that to the Minister of Agriculture (Mr. Gardiner).

Mr. Gardiner: I am finished; go ahead and hang yourself.

Mr. Wright: The minister has hanged himself on this issue; I can assure him of that. He will have a hard time explaining it to his constituents in western Canada.

Now for a little while I want to deal with the general marketing situation in this country. From the speeches that have been made so far in this debate it is quite evident that there is a serious marketing situation with respect to our agricultural products. I am convinced that we have four major agricultural products for which we must find markets: wheat, cheese, bacon and apples. These four products represent the four main groups of agriculture in this country; wheat in the grain group, cheese in the dairy group, bacon in the meat group and apples in the fruit group. If we can find sufficient markets abroad for our surpluses of these agricultural products we will have a chance within our own economy to balance our production of the other grains, dairy products, meat products and fruits; but we must find markets for those products.

Some say the United States is a market. Well, anyone who has read of the situation that now exists in that country with respect to these products knows there is no market there, that the United States is in a surplus position with respect to each of these commodities. The only long-time market there has been in the past or there is likely to be in the future for these products is the European market, and more particularly the British market. Our failure to sell these products in that market is, in my opinion, largely due to the failure of this government, immediately after the war, to deal with the British government on a bilateral or exchange basis covering our major farm products. If in 1947 this government had been prepared to accept British goods in payment for these products we could have had some of the long-term agreements which have been made with the Scandinavian countries, New Zealand and Australia. At that time we were not prepared to make agreements of that type; as a matter of fact we had no legislation under which that could have been done. We had the acts which had been passed during the war to authorize the sale of these products overseas. Nothing was certain as to the period of time for which that legislation would be constitutional, or for how long it would be carried on. We were renewing it from year to year in this house. Instead of developing a long-term policy dealing with our agricultural products we simply frittered away those markets and only now the results of what we did in 1947 are beginning to be felt. Those markets are gone, and the only way we can hope to get them back is by some arrangement whereby we can accept in payment for our products either British goods or sterling, which can be invested in other parts of the world.

In his remarks during this debate the hon. member for Rosetown-Biggar (Mr. Coldwell) suggested that we should accept sterling for some of our agricultural commodities and

invest that sterling in other parts of the world. I was rather surprised to read some of the comments that suggestion drew from various people in responsible positions in Great Britain. I have here the report of a statement by "Adelphi", who, by the way, is Beverley Baxter, Canadian-born Tory member of parliament in Great Britain, who states:

> The *Times* this morning publishes a report that the C.C.F. is urging the Canadian government to accept payment in sterling for a large percentage of its exports to the sterling area. I know that such a suggestion must shake St. James and Bay streets to their foundations, but it is difficult to see how the present rot can be stopped if such a plan is not adopted.

Responsible people in Britain realize that, if they are to buy our products, in some way we must provide them with the dollars or accept their pounds in exchange. Then we can invest those pounds in other parts of the world where such investments can be made to advantage. There are plenty of such places, in the Middle East, in India and in other parts of the sterling area where new developments are needed, and where such developments will help stop the growth and spread of communism. But to insist that we can find markets for those products in the United States is not realistic.

In the speech from the throne it is indicated that we are going to do something with respect to floor price legislation. Hon. members will recall that when the present Agricultural Prices Support Act was introduced in this house in 1944 a great many of us criticized it because it was a temporary measure intended to have effect only during the transitional period. At that time we said this should be permanent legislation, and that the act should contain some formula by which we could determine what were fair floor prices. Neither of our suggestions were accepted. This session, however, we hope to do both those things which should have been done several years ago.

There are two ideas with respect to the method of calculating floor prices for agricultural products. In the United States they have used the term "parity". They have accepted the period from 1909 to 1914, I believe, as the base period, and on that they have established parity floor prices. Under their present plan they pay 90 per cent of parity on some agricultural products such as wheat and cotton; on others they pay 75 per cent and on some perishable products I believe the payment is as low as 60 per cent of parity. In Great Britain and some of the commonwealth countries, as well as Canada, we used a different method to establish floor prices. We used as a basis the long-term contract with Britain. Now, however, as these contracts cannot be renewed, that method of setting a floor has vanished, and we must find some other method. The minister has suggested that the floor will have to be fairly low.

Mr. Gardiner: No, I have not.

Mr. Wright: Yes, you did; at the meeting of the federation the minister suggested that the floor could not be established at a level which would meet the average cost of production.

Mr. Gardiner: I did not say that at all, any time or anywhere.

Mr. Wright: That is the way the minister was reported in the press; that the floor must be low enough to discourage overproduction of any particular agricultural commodity.

Mr. Gardiner: I did not say that, either.

Mr. Wright: That was the way the minister's statement was reported in the press. He claims to be misreported so often that it is difficult to know just what he did or did not say, and all I have to go by are the reports appearing in the press. I want to say this, that in establishing floor prices for agricultural products there are two things that must be taken into consideration. These floor prices should be floor prices which are not merely fair to the farmer; they must be established at a sufficiently high level to enable the farmer to maintain the fertility of his soil. Then the farmer can maintain production over a period of years.

If floor prices are established at a low level, merely as a stopgap, it will mean that the farmers will simply mine the soil of this country. That has been done to a great extent for years in this country. It has been done to such an extent in eastern Canada that you can go to the maritime provinces today and find farms that have been abandoned. Go out in the back counties of the province of Ontario and you will see farms that have been abandoned simply because of the low prices for agricultural products. Our soil has been mined to such an extent that it goes out of production. Perhaps that is all right in a country in which you have unlimited soil resources, and where you are opening up new areas. The point has been reached in Canada now where we have not the new areas available. We have reached the point where we have to start building up the agricultural industry of this country on a permanent working basis, on a basis which will maintain the fertility of the soil. Unless we do that, unless we have floor prices which will enable the farmers to farm efficiently and maintain the fertility of the soil, to prevent erosion and to ensure a proper

conservation program for agriculture in this country, we are just building up trouble for ourselves in the future. One of the surest ways we can do this is to set floor prices for our agricultural products so low the farmers will have to continue to mine our soil.

At the last session of parliament, just before the election, the Agricultural Products Marketing Act was passed, under which boards could be set up for the marketing of agricultural products in Canada. I should like to point out, not only to this house but to farm organizations throughout the country, that the farmers themselves have a responsibility in this matter. They cannot expect the government to do something for them which they can do for themselves. The first thing they have to do is to organize their own industry by the setting up of producer boards for the marketing of their particular product. I am however extremely doubtful whether the act that was passed prior to the last election is constitutional, and will give to these boards the power which I believe they will need if they are to be successful.

It seems to me that for any particular agricultural product—let us take hogs for example—if we are to set up boards in this country for marketing, these boards must be set up in each province by the producers in that province. There must be some means, however, by which a central selling agency can be established for the sale of all hogs in Canada. It is not enough to set up a half dozen separate boards with each board having a selling agency, and each agency going out to dispose of that product. If the handling of that product is to be successful, it must all be handled by one board. Not only must it be handled by one board, but that board must keep control of that product until it goes into the wholesale or retail trade of this country. In my opinion, it is not sufficient for the hog producers of this country to set up boards for the sale of their products unless they keep control of that product until it goes into the wholesale or retail trade. It is not enough for them to sell that product to the packers, and then let the packers or cold storage people speculate in that product and make an unfair profit on it.

The Minister of Agriculture himself knows that that is what takes place. When the price of eggs went down last year, he indicated that he was quite displeased with some of the things that had happened in the trade with respect to the marketing of eggs. Last fall, when eggs were bringing approximately 38 cents to the producer, the minister indicated that the consumer was paying 80 cents for the same eggs. Unless these commodity boards set up by the producers keep control of their products and prevent them from falling into the hands of speculators, then I say the boards will not serve the purposes of the producers. As the act reads at the present time, I am rather doubtful whether the boards will have that power. I hope they have, but there is a grave doubt in my mind, and in the minds of many of the agricultural people themselves, as to just how far those boards can go in maintaining control of their product.

It is not good enough to say that these boards should have to take the responsibility for marketing the products when they go outside Canada. I am convinced that we must have export and import boards, controlled by the dominion government, to take control of these surplus agricultural products which must be marketed in the export market. The producer boards have no control over the fiscal policies of this country; they have no control over the tariffs; they have no control over whether dollars will be available for their products when they reach Europe, or the other markets of the world. It is the policies of this government which determine whether those products can be sold when they are exported. This government should take that responsibility, and not throw it back on the producer boards or upon the provinces, as it would appear they are now intending to do.

In this matter of the marketing of agricultural products in the international field, I believe that the government should give serious consideration to backing the food and agricultural organization in its attempt to set up an international commodity clearing house for surplus food products. I was rather surprised to find that the minister, in some of the statements he issued at Washington when this matter was being discussed, indicated he did not believe this commodity clearing house could serve the purpose for which it was intended. On November 25, in the *Globe and Mail*, the following statement was reported to have been made by the Minister of Agriculture at that conference:

> We can see considerable merit, as a long-run development, in the proposal that stocks of food should be held against shortage situations which experience has shown will develop. As has been pointed out in other conferences, however, national governments can, and do, perform this function and we do not see that stocks held by an international agency will, in the short run, contribute to any improvement in the present situation.

The minister has stated here that he believes that is a government responsibility. I hope the government will accept that responsibility and not turn it back on the producer boards or on the province, when it comes to marketing these surplus products in international markets.

Mr. Gardiner: We carried 600 million bushels of wheat at one time.

Mr. Wright: That is quite right, and I hope the government will continue to support the producer boards or commodity boards that will be set up, with respect not only to wheat but the other agricultural products. I hope they will accept this responsibility for international marketing, which I believe is theirs, but the tendency now seems to be to shelve that responsibility or turn it back to the farmers themselves. I say that the government is quite right in adopting the attitude that the farmers must accept responsibility for setting up these commodity boards for marketing the products within this country. When it comes to the international marketing of agricultural products, however, I say that is the responsibility of this government, and the government should accept that responsibility and see that our markets are maintained.

Mr. Gardiner: If I am to be quoted, I do not want the hon. member to put words in my mouth. If my hon. friend says the government has said that, and I do not know that any other member of the government has said anything about it, may I say that the government has not said any such thing through me; it has not said that we were going to place responsibility for carrying products with the commodity boards in the provinces. We have not said that at all.

Mr. Wright: The action of the government at the present time in failing to make any long-term contracts, in failing to take up this international commodity clearing house proposition, and in every action they have taken to date in the last year, indicates that. All I am saying is that I think it is an indication of the true intention of the government.

Mr. Gardiner: The only surplus today is the surplus of cheese and we are carrying that right now.

Mr. Wright: For how long? Until the first of August next year. You have stated that at that time you are getting out of the market. That is the statement that has been made by this government. That is the position with respect to pork.

Mr. Gardiner: The hon. member is repeating statements his leader in the province of Saskatchewan has been making for the last three months; and none of them is correct.

Mr. Wright: I am repeating things that the minister himself has stated.

Mr. Gardiner: I have never stated that.

Mr. Wright: The minister stated that, as far as pork was concerned, on the first of August the government were out of the picture.

Mr. Gardiner: No, I have not.

[Mr. Gardiner.]

Mr. Wright: That their contract was ended with Great Britain.

Mr. Gardiner: The statement was read to you just a few minutes ago by the hon. member for Bellechasse and that is not what I said.

Mr. Wright: You said that the price was guaranteed to the first of August only.

Mr. MacInnis: Only one person may speak at one time.

Mr. Wright: If what I have said is not right, the minister will have a chance to deny it; and I hope he will deny it by action and not promises, as in the past, when it has been mostly a matter of words and not action. What the farmers of this country are looking for today is action, not a lot of glib promises.

Mr. A. A. Elderkin (Annapolis-Kings): If rumours from Nova Scotia are correct, Mr. Speaker, this may be the only opportunity I shall have to address the house before re-election. I therefore wish to place before the government and hon. members of the House of Commons what I understand to be the needs of my constituents in Annapolis-Kings. As one coming from that part of Canada known as the maritimes, of which the hon. member for Kindersley (Mr. Larson) says "It is practically a different world", I wish to pay my respects and to express my congratulations to the mover and the seconder of the motion.

I am afraid it is only too true that the maritimes are a forgotten, or at least a neglected part of Canada. As a child I was amused by the arguments of the so-called secessionists, or those who would have one believe that they would like to withdraw from confederation and join the United States. As I have become older, and particularly since I have come to Ottawa, I am no longer amused but can see that they were absolutely sincere and had at least some grounds for their complaints.

I do not propose, Mr. Speaker, to go into the matter of maritime rights nor, for that matter, the problems of Nova Scotia as a whole; I propose rather to confine myself as nearly as possible to the grand constituency of Annapolis-Kings which, at the moment, I still have the honour to represent. I think it is a fair statement to make that maritimers, as a whole, know more about Canada than the rest of Canada knows about the maritimes. This is not surprising, because in order for a maritimer to go anywhere he must leave his own section of Canada, and once started, he tends to keep on travelling; whereas the rest of Canada is so large that many residents of Canada outside the maritimes never reach the Atlantic seaboard. I have met many

people in the west who have heard of Halifax and Saint John but who did not have the foggiest idea where Nova Scotia and New Brunswick were.

I have heard many hon. members tell of the richness and of the unlimited resources of their constituencies. I am afraid that I can make no such claims for Annapolis-Kings. As a matter of fact, as far as we know at present, we have no great mineral resources nor have we any great industrial areas. We are entirely a rural section. Even our soil is on the poor side, of a type called podzol, derived from a Russian word meaning ash and indicating a soil highly leached of nutrients and chemicals. Even the so-called fertile Annapolis valley is little more fertile than the rest of the land, except for the marshlands, which are rich alluvial deposits. In that connection I should like to express to the government and to the Minister of Agriculture (Mr. Gardiner) our sincere appreciation of the work that has been and is being done under the Maritime Marshland Rehabilitation Act which will add materially to the welfare of our country for future generations. About half the total boundaries of my constituency is water, mainly the bay of Fundy and Minas basin. This is the land made famous by Longfellow's "Evangeline" and by many outstanding men. We are a people steeped in tradition, an old civilization as far as Canada is concerned. Port Royal now Annapolis Royal was settled by the French in 1603; and our whole central valley area was settled for long years before the expulsion of the Acaddians in 1755. Whatever prosperity we have in our part has been of slow growth and has been built up by generations of industrious, frugal and thrifty people. We have a feeling of permanency, a feeling of always having been there. It is not uncommon to find the fifth and sixth generation on the same farm and the third and fourth generation in the same house.

We in Nova Scotia are a long way from the markets of central and western Canada, and are traditionally a seafaring race—and especially was that so in the day of iron men and wooden ships—so that the natural market for our products is Great Britain, the New England states, Cuba and the British West Indies.

Before going more fully into this phase of our economy I should like to draw to the attention of the government and hon. members one or two matters of some importance to us. The proposal to extend the coverage of the Unemployment Insurance Act to employment in hospitals and charitable institutions has raised a storm of protest in our part of the country and all through the maritimes. As an example, I might cite the case of the Eastern Kings Memorial hospital in Wolfville, of which little hospital we are very proud. The only reason I choose the Wolfville hospital as an example rather than any of the four other excellent hospitals in Annapolis-Kings is that, as a member of the board of trustees for a number of years, I am very familiar with conditions there. It is a hospital of only thirty-bed capacity, but for a good many years it has been approved by the American College of Surgeons. In this hospital we have an efficient staff of nurses and doctors. Contrary to the experiences of many of the larger hospitals, we have little difficulty in keeping a fine group of nurses. This is largely on account of the "happy family" attitude which prevails among the doctors, nurses and others of the staff. In spite of this harmonious and efficient operation, we had a small deficit in 1948 but in 1949, even after an increase in rates, our deficit was nearly $7,000. I should like to urge the government to consider the matter carefully before they do anything which would increase costs to our hospitals already staggering under a heavy load.

In Kings county we have had for many years at Aldershot a military camp which has been used very little for training purposes since the end of world war II. I should like respectfully to suggest to the Minister of National Defence (Mr. Claxton) that Aldershot camp be used as much as possible as a peacetime training camp.

Lest I might be considered unduly critical I should like to commend the Minister of National Defence and the government for reopening H.M.C.S. Cornwallis and the R.C.A.F. station at Greenwood. Much as we deplore the necessity of spending so much on defence, I believe all hon. members on both sides of the house agree that these expenditures cannot be avoided.

We have in Annapolis-Kings a good many fishermen who have their special problems of production, processing and marketing. With your permission, Mr. Speaker, I should like to explain some of the peculiarities of the fishing grounds from which our fishermen try to wrest a living. Almost the whole coast of my constituency is rugged and rocky, with these rocky shores washed by the tides and storms of the bay of Fundy and Minas basin.

The bay of Fundy, as some hon. members may know, is noted for its extremely high tides—a rise and fall occurs daily from 20 feet to an extreme high of 60 feet or more. For anyone who has no experience with these high tides and consequently with the tremendous currents of this region, it is almost

impossible to realize conditions as they are. Even a moderate wind will kick up a very high sea, if tide and wind are opposed. Off Blomidon the rush and roar of the waters at certain times of the tide are almost unbelievable, and although not so spectacular as Niagara, the water that flows over Niagara would be a mere trickle compared with what flows by cape Split four times each twenty-four hours. With these strong currents our fishermen have at all times to contend and they must adapt themselves to the tides and in fact use them to their own advantage.

On this particular coast we have no low-water harbours and boats must enter and leave at half-tide and in many cases at three-quarter tide. This often means that in times of sudden storm they may not be able to run for shelter but have to ride it out until such time as the tide is right. In the case of a bad nor'easter they may not be able to make harbour at all; consequently during the stormy seasons our fishermen are very careful about going out to the fishing grounds for fear that they cannot get in and may be storm-stayed out in the dangerous bay of Fundy.

This makes their fishing season shorter than it might be if there were deep-water harbours. Therefore, anything that may reduce their catch at any time seriously affects their livelihood, and hence their objection to draggers, which they claim not only deplete the supply of haddock and cod but also disturb the feeding grounds so that it is almost hopeless to catch the fish remaining after the draggers are through.

To explain this a little, the fishing grounds of the bay of Fundy are not made up of a continuous shelf or bank. The floor of the bay of Fundy is much like the shore line with hills and hollows, ups and downs, with the feeding grounds generally on the peaks or higher ridges.

When the draggers get through with these ridges the tides take over and move the disturbed feed. It has not yet been determined whether these feeding grounds are merely moved or if they are temporarily destroyed, but it has been definitely determined that some time elapses before feed is again available there.

The fishing section of my constituency extends from Victoria Beach on the extreme west and Delaps Cove in the northwest to Scotts Bay at the easterly end, a distance of roughly 130 miles. The westerly half of this shore line is along that part of the bay of Fundy which could most rightly be called a part of the Atlantic ocean, but the farther east we go the narrower the bay of Fundy becomes, and as the bay becomes narrower, so the objections to the activities of the draggers become greater, as it is here they interfere most with the "inshore" fishermen.

Our Canadian draggers are supposed to keep outside the 12-mile limit but the American draggers may legally come to the 3-mile limit. I do not know that any American draggers have been in this area to which I have reference, but Canadian draggers certainly have been and are quite careless about distance, especially after dark.

Besides the conventional draggers we now have smaller vessels 40 feet long, or shorter, and these smaller ships do not comply with any 12-mile limit nor with the 3-mile limit but may, and often do, come close inshore, dragging lobster traps, herring nets, weirs and trawls.

I should like to urge the government through the Minister of Fisheries (Mr. Mayhew) thoroughly to investigate the fisheries and fishing conditions of the bay of Fundy area in an endeavour to discover the best solution of their problems so that the fishermen of my section may take their proper place in the economy of our great nation.

I should like to go on record as being in favour of a complete and independent survey of the Chignecto canal.

It is thought by many people, even in Nova Scotia, that we in Annapolis-Kings produce apples and little else. This is far from true, for Kings county alone even before world war II produced agricultural products, other than apples, to a value greater than any other county in Nova Scotia.

We had at one time a very lucrative trade with Cuba and the British West Indies, mostly in potatoes and fish. These have now been almost entirely lost with the exception of the sale of certified seed potatoes. Various nefarious jugglings were responsible for the loss of these markets. Perhaps the one most responsible for this loss was "Sugar Daddy" Rhodes, who, while minister of finance under a Conservative regime, put increased duties on sugar. I would ask hon. members opposite if it is any wonder Annapolis-Kings goes Liberal most of the time. After the loss of these markets for fish and potatoes our fishermen became poverty stricken, and our potato growers either quit growing potatoes or went bankrupt.

Shut out by tariff walls from the markets to which we had cheap and ready access by water freight, we became more dependent upon our sales of apples to Britain, which country, up to the outbreak of war in 1939, was a free open market in which we found ready sale for nearly all we could produce.

During the war we were, generally speaking, able to find a ready market for any farm product we produced with the exception of apples, which was a war casualty, and about which I propose to speak later.

I should like here to quote a few figures to show the increase in production of some of our agricultural products during the past few years. Poultry increased in numbers from 300,000 in 1941 to 800,000 in June, 1949; hogs from 13,000 in 1941 to 19,000 last year. Dairy production increased 10 per cent in the last five years. Potato acreage increased 20 per cent since 1941. Pears increased from 300 acres in 1939 to 700 acres in 1949. Plums have increased about 18 per cent in the past 10 years, while small fruits and vegetables have increased 50 per cent.

You can see from this brief summary, Mr. Speaker, that we have been trying to diversify our farm economy. For the first few years after the war we were able to sell our increased production at reasonable prices, but now we find ourselves in about the same position in regard to markets as we were before the war, although local purchasing power is much better than in 1939, and we also have a somewhat increased consumer population.

We farmers have been told and are being told that we should not put all our eggs in one basket but should diversify. This we are quite willing to do and capable of doing if we only have a market for our products.

As I said before, Mr. Speaker, even before the war the rail-haul to the markets of central Canada was too expensive for most of our products; but now, with our freight rates increased from 30 per cent to 50 per cent over former rates, central Canada is just that much farther away.

We are also handicapped in my part of the country by the fact that our season for strawberries, plums, cherries, and all early vegetables is somewhat later than in central Canada, so that at the time our early tomatoes and other early vegetables and fruits are ready for market we find carloads of Ontario produce being dumped in Nova Scotia. It takes only a few carloads of Ontario fruits or vegetables to glut our home market. By the time we are at peak production our market is saturated with supplies from outside Nova Scotia.

Then let us take a look at a product like carrots, which we can grow readily and economically in many parts of my constituency, but for part of which we must find a market outside Nova Scotia. According to government statistics, on February 1 of this year there were in the whole of Canada 8,196 tons of carrots in storage. Of this amount 1,787 tons were in Nova Scotia. With the price in Montreal being only about 2 cents a pound for domestic grown carrots, owing to the new crop coming in from the United States, what chance have we of clearing up the balance of last year's crop, or what incentive is there to plant a new crop?

Another crop which is normally salable in Canada with little difficulty is cranberries. It costs anywhere from $1,000 to $2,500 per acre to put a cranberry bog in proper condition to produce berries. The sprinkler system alone costs $1,500 per acre. Cranberries take several years before they come into production, but with proper care and frost protection will give satisfactory yields of good quality berries for many years.

Normally Canada does not raise sufficient cranberries for her own use and until fairly recent years the volume and quality was so uncertain that a proper demand could not be built up; but now with improved methods and more knowledge both the quality and supply are reasonably adequate.

Cranberries, like many other products, come under the Geneva and Annecy agreements and consequently there does not appear to be any way to impose quotas or restrictions on Cape Cod berries coming into Canada until tariffs come up for revision this year.

In 1948, owing to the imposition of exchange regulations, no cranberries came from Cape Cod into Canada, and as the Canadian supply was limited the prices went very high, the wholesale price in Montreal in November of that year being $9.90 for a 25-pound box, and in December it rose to $11.13 per box.

With the lifting of exchange restrictions in 1949 Cape Cod berries came in a regular flood, a total of 3,725,000 pounds entering Canada last year. Of course, prices dropped until in November, 1949, the wholesale price in Montreal of Canadian-grown cranberries was $2.62 per box; in December the price rose to $2.99. What hopes for cranberries?

If our products are shipped C.P.R. to Montreal they must be handled and rehandled because of the lack of a car ferry between Saint John and Digby. If these products are shipped D.A.R. and C.N.R. to Montreal, they not only have an extra long haul but travel over two rail systems.

As we are all aware, it is impossible to build up and hold a market for perishable farm products without cheap and adequate transportation; as transportation improves so does the prosperity of the country.

In this connection I should like with your permission to quote in part from an announce ment made in this house on December 7,

1949, with regard to steamship service by the Minister of Transport, as reported on page 2829 of *Hansard*. He said:

> At the present time the S.S. *Yarmouth* operates between Yarmouth and Boston during the summer months, making three trips per week.

And again:

> It is felt that if this vessel is going to discontinue the service, some method should be found to increase the number of tourist cars which may be carried to Nova Scotia during the summer season. Both governments likewise feel that the situation cannot be left in a state of uncertainty, and that the tourist traffic into Nova Scotia should not only be maintained but increased.
>
> I am therefore pleased to announce that it has been decided to build a vessel which will not only be adequate to carry the present traffic but which will serve to increase the tourist trade between Nova Scotia and the United States. The proposed vessel will be a fast modern car ferry with a capacity of about 200 cars and about 1,000 passengers. The service will be based on Yarmouth, and will operate between that port and a port in the eastern United States. Being a modern vessel it will offer facilities considerably better than those now available, at a much cheaper cost to tourists and more in line with present and anticipated needs.

With this I am quite in accord but I would suggest that this announcement does not go far enough. We in Annapolis-Kings will welcome any increase in tourists resulting from this move, for we like their money and with possible exceptions we like them for themselves. Moreover, we like people to enjoy the beauty of our very beautiful country.

I would respectfully say to the government that I do not believe our tourist business in itself will go very far in solving the economic problems of our section of Nova Scotia, and I would further suggest that in the planning of the ship, serious consideration should be given to its adaptability for fast, efficient and economical freight. If we had efficient, economical and dependable freight service from Yarmouth to a port in the eastern states near a good market with the ship arriving at the United States port at the proper time of day, the economic problems of western Nova Scotia would be half solved. If, in addition to this efficient water service, we had a reduction in the tariff on our primary products entering the United States, I believe we could solve our own problems as far as small fruits and vegetables are concerned.

If something of this kind could be worked out it would be only a few years until we would be producing large quantities of small fruits and vegetables, strawberries, blueberries, both wild and cultivated, raspberries, plums, and believe it or not, cherries. The lower part of Annapolis county is a natural for the production of cherries. Besides these products we would have an extended market for poultry and poultry products, choice beef, veal and dairy products.

Our fishermen would benefit also from this outlet and could land fresh and frozen fish, lobsters and scallops in the Boston market. Give us a fast, efficient, economical water freight service, with reduced tariffs, and we will do the rest. I do not think that this is too much for us, from that place which is "practically a different world", to ask of a Liberal government, which does not need the name "progressive" tacked onto it to be really progressive.

I should like to speak for a few minutes about our apple problem. I should say at the outset that I know the problem but that I have no ready solution unless we can within a few years regain at least a part of our old market in Britain. I should like, if I have time, to briefly sketch the growth of the Nova Scotia apple industry up to 1939, present the problem as it then appeared, tell what we as growers have tried to do to remedy the situation, what assistance we have had from the Canadian government and what we should like the government to do for us now.

The first recorded plantings of apples in the Annapolis valley was in the early seventeenth century at Port Royal. Apples did not take on any great commercial significance until after 1850, when occasional shipments were made to England in small sailing vessels. But as transportation facilities became better our plantings of apple trees became greater. These plantings were largely of varieties which at that time were acceptable to the British consumers and consisted largely of culinary or cooking varieties to which our soil and climate seemed particularly well adapted. Our production continued to increase with the emphasis in a large degree on volume and economy of production as the consumers of our fruit were mostly people of very moderate or low income.

We always had insect pests in our Nova Scotia orchards but until after 1900 they were of major importance only at periodic intervals. In addition to insect pests we have always had apple scab, or black spot, as it is often called. This scab is a cool-weather fungus and appears to grow best in cool wet weather, of which we have a great deal in Nova Scotia.

It was not until after the first world war that we began to spray in earnest and it took some years for us to find that we could grow varieties like McIntosh which are very susceptible to scab. In fact, as late as 1924 the experimental station at Kentville advised

against the planting of McIntosh and similar varieties as they were not deemed suitable for our climate. Moreover, we were catering almost entirely to the British market where even for dessert purposes the taste appears to be different from that on this side of the Atlantic. In Canada the demand was largely for large red apples of somewhat softer texture and by and large sub-acid. In Britain, however, they wanted a crisper, chewier, more acid apple or as they often said, "apples with character". The three most popular dessert varieties which we grew for the British trade were Cox Orange, Golden Russet and Ribston Pippin, none of which can we sell in volume in Canada at anywhere near production costs. It is true that there was a place for large red apples on the English market but they were largely like the King, a dual purpose apple, an excellent cooker but also of good eating quality. Most of our export varieties were of green, yellow or a russet colour.

This was partly because the English growers grew these kinds and the public was accustomed to them and also partly because our climate is such in most years that we can grow that type more economically than the red varieties which require more sunshine and care. During the 1920's we had almost continuous bad growing years. The 1930's were generally speaking good apples years in spite of bad winter injury in 1933-34, of severe frosts in 1936 and two disastrous gales, each from different directions, in 1937. In spite of these handicaps we produced an average yearly crop of almost six million bushels for the years 1936-38. In 1939 we had a crop of slightly over six million bushels.

It was apparent even during the thirties that we must not rely too heavily on the British market as their production was increasing so that in years when they had big crops most of our apples were not wanted and sold for low prices.

Up to 1912, when the United Fruit Company of Nova Scotia was formed, most growers packed and shipped their own fruit or sold to dealers, first largely tree run but later mostly on a packed-out basis. With the advent of co-operative companies there was a decline in grower packing and also in selling to apple dealers. In Nova Scotia a grower had four choices: he could sell on the local market, could himself ship to England, sell to dealers, or market co-operatively. Let us again note that the emphasis was on quantity not quality, economy not excellence. During the years the Nova Scotia fruit growers were constantly striving to get varieties which were more productive and more profitable, but a great many were of little or no value and were only removed by death or grafting. Others like McIntosh, Cortland and Delicious were valuable but they all added to the numbers so that in 1939 we had nearly 200 different varieties.

We packed almost entirely in barrels, which was a strong, cheap package capable of easy and rapid handling. Some boxes were packed as early as 1910 and some progressive growers were forever trying different types of package. In nearly all cases the grower returned to barrels as netting him the most profit. I have seen in the past few years so-called new packages which were almost identical with those we had tried and found unprofitable.

Thus when war broke out in 1939 we found ourselves with a crop of over two million barrels composed mostly of varieties not readily salable in Canada under any condition and owing to the war our overseas market was almost entirely lost. If we had attempted to market this crop in Canada it would have been ruinous not only to us but also to the other apple-producing areas in Canada. After discussions with the federal government it was decided that something should be done. As a result of this the Nova Scotia apple marketing board was set up through which all Nova Scotia apples produced in the commercial apple areas of Nova Scotia must be marketed. In fact, what the government did was to buy up all the Nova Scotia apples which could not be sold on the fresh fruit markets and process them. Of the 1939 crop half a million barrels were sold as fresh fruit overseas and on the domestic market, and over one and a half million barrels were processed. In that way the Canadian market was largely left for Quebec, Ontario and British Columbia. This type of assistance has been rendered to the Nova Scotia apple industry every year up to 1949, except that the form of assistance varied somewhat from year to year. The endeavour was to process enough Nova Scotia apples so that our fruit would not interfere too much with that grown in the rest of Canada.

This scheme really was remarkably successful, as anyone familiar with the apple picture in Canada knows. The last six or seven years have been the most prosperous for the apple growers of Canada of any similar period, with the exception of Nova Scotia growers. Quebec, Ontario and British Columbia growers have never known such prosperity.

What then of Nova Scotia with all the millions of taxpayers' money that was poured into our industry? It is quite true that 1946 was a banner year with over two million barrels of good apples. There was a large

sale to Britain at excellent prices and our growers did make a profit. But for all the other years from 1939 to 1949 most growers lost money on their apples. If you accept that statement I must answer two or three questions. First, where did the money go? It went partly to the growers for production costs but largely to pay for processing that portion of the crop that was taken off the fresh fruit market. Perhaps you will say too much went in profit on fertilizers and spray materials. As to that, the margin of profit was fixed by the wartime prices and trade board, and for the past five or six years most of these supplies were furnished by co-operative fruit companies so that whatever profit was left went back to the growers in any event.

How then did they live and thrive if they lost money on their apples? That is the easiest question of all to answer. Up to 1949, and even for part of that year, we could sell at a profit, apart from some exceptions which always occur with farm products, practically everything we produced, beef, hogs, eggs, poultry, milk, plums, pears, potatoes, small fruits and vegetables. Why then were Nova Scotia orchardists so unwise as to continue producing at a loss? Nothing but blind faith in Britain, that she would soon be able to buy our apples again, and the knowledge that we could produce at least as cheaply as any other section. What have we been doing for ourselves? First we have made a concentrated effort to convert our orchards to highly coloured dessert varieties more readily salable in Canada. This has been done largely by new plantings and by grafting. In 1948 alone over 40,000 trees were grafted.

We have removed over 700,000 trees that were either old or of undesirable varieties. We have erected four large modern cold storage plants where boxes and other small packages are stored, packaged and shipped, and all other warehouses are now equipped to pack in packages smaller than barrels. We have had one desk selling for the past eleven years.

The fact remains that there are more apples produced in Canada than can be sold here, and in the meantime we in Nova Scotia are still producing too many varieties which have little sales appeal on local markets and not yet enough of the desirable varieties, for it takes years to change over apple orchards. It cannot be done in two or three years. Even though we have already destroyed over 700,000 trees, I believe we should remove at least an additional 300,000 this year.

I should like to trace briefly tree removal in Nova Scotia from 1939 to date. In 1939 some of us rented heavy tractors from the provincial government and removed old and/or undesirable varieties. No record was kept of the numbers removed that year. In 1940 and 1941 the Nova Scotia government provided tractors free for tree removal. About 100,000 trees were removed in these years. As it is quite expensive to remove tree debris and rehabilitate the land, and as farmers were hard up, the federal government was asked for assistance. From 1943 to 1946, 231,477 trees were destroyed under a bonus of $2 per tree. Trees destroyed had to be from commercial orchards and able to meet requirements as to size and bearing capacity. The Nova Scotia government supplied free tractors for this work.

There was no tree removal policy in 1947. But when it was realized that we would not likely have an open market in Great Britain for some years, an arrangement was entered into with the federal government in 1948 for assistance in the removal of an additional 300,000 trees. We were in this case attempting with government assistance to eliminate good commercial trees of varieties formerly acceptable in Great Britain.

I wish to take this opportunity of expressing the sincere thanks of our growers for all that the government of Canada has done through the years to save this valuable industry. I realize that our growers would also wish me to express thanks for the assistance and co-operation rendered by the government of my province. In conclusion, I would not be doing my duty if I did not impress on the government and hon. members of the house the necessity of making good the loss suffered in the marketing of last year's crop. Until the rehabilitation of our fruit growers is completed, it would seem that the apple growers of Nova Scotia require a government assistance program for that portion of our crop which cannot be sold on the fresh fruit market. In addition to the 700,000 trees that have already been destroyed, it is absolutely necessary to have public assistance that will ensure the removal of another 300,000 trees this year.

Mr. A. E. Dewar (Qu'Appelle): Mr. Speaker and hon. gentlemen—

Mr. Knowles: It is out of order but we like it.

Mr. Dewar: I heard somebody remark that it is out of order to say "hon. gentlemen", and if so I am sorry. I believe it is customary to compliment the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne. In this particular instance I am more than pleased inasmuch as the hon. member for Kindersley (Mr. Larson) is a fellow colleague

from the province of Saskatchewan. He discharged his duty in a most creditable manner. I am sure all hon. members of the house will join with me in extending to him the highest compliments. The same remarks apply to the seconder.

The qualifications I have as the member for the constituency of Qu'Appelle are those of a woman beater. I do not want that remark to be construed in such a way that the female sex will be prejudiced against me. Frankly, I have a great deal of respect and regard for them, but nevertheless I am here as a woman beater. Turning now to the constituency of Qu'Appelle, at this time I should like to mention a former member, the late Ernest Perley who, while of a different party, was a personal friend of mine. Politically we were opposed, but as personal friends we were very close. Then of course there is the very good lady whom it was my pleasure to defeat in the last election.

The riding of Qu'Appelle is essentially a rural one. It is one of the wealthiest and one of the best ridings in the Dominion of Canada, if not the best. The wealth of the Qu'Appelle riding stems from agricultural products, and by virtue of that quite naturally I am interested in seeing that their agricultural products will be sold at prices which will permit the people whom I represent to carry on their farming operations on a basis that will provide them with a good income and a good standard of living. I stand for the retention of the Crowsnest pass freight rates, as I think every hon. member from western Canada should; and I hope no one anywhere in Canada will ever undertake to alter those rates.

Then we have the wheat board. For the major portion of my business life I was in the grain trade, and during that period I was opposed to compulsory marketing and such things as the wheat board and the wheat pools. However, in later years I had the opportunity of studying some of the hardships which were caused by the rise and fall of wheat prices, and as a result I have come to firmly believe in the principle of wheat board marketing. I stand for that and will fight for it; and I know those whom I represent in the riding of Qu'Appelle will want me to make this statement.

I believe the marketing of coarse grains is being handled in the only sensible way. That is a commodity which for the most part is consumed within our own boundaries. When it is remembered that approximately eighty per cent of our coarse grains are marketed within Canada it will be seen that the board is placed in a rather difficult position when it is expected to be both buyer and seller. Naturally we in the west are on the tail of the wheat board to get the price up; naturally those in the east and in the feeder markets are on the tail of the board to keep prices down.

We have the P. F. A. A., which in my opinion is one of the finest acts ever passed by the House of Commons. The principle is good, and as far as I can see the method is the best that has been devised to date. I do not say something better may not be discovered, but it is the best we have found so far. The only suggestion I would make in passing is that I believe the time is long past when the governments of Saskatchewan and Alberta should also recognize their responsibilities. Unfortunately there is altogether too much of this wanting provincial autonomy and then, when it is offered, saying, "No, it is a federal responsibility". So I suggest that in the borderline or isolated cases the provincial governments should begin to assume some of the responsibility that is rightfully theirs.

I have a note here under the heading "water", and you will notice that I just had a drink. It is a very important commodity. We have the P. F. R. A., which deals with water conservation and the construction of small dugouts for farmers. Those who have not had the privilege, which I have had, of seeing what these have meant to the farmers in western Canada cannot fully appreciate the importance of these projects. The work has been well done; the money devoted to the development of these small dugouts on the farms has been wisely spent. When you see the little orchards, the little groves of trees, the water systems on the farms, the pressure systems in the houses, you realize that this is a wonderful thing.

Then in Alberta we have the irrigation projects. Those hon. members coming from that province who have seen irrigation systems in action and have seen their advantages will appreciate the value of those great works. In the Fraser valley we have the diking—

An hon. Member: Snow banks.

Mr. Dewar: Yes, snow banks. They mean water, and water often means trouble. They have had a lot of trouble in the Fraser valley, and I am afraid they are going to have a lot more. The diking program which has been embarked upon by this government is going to mean a great deal to the people of the Fraser valley. In the eastern part of our country we have the marshland reclamation project. That is also a wonderful thing.

All these matters deal with water. In our own province we have the South Saskatchewan river project. I think I should note in passing that of all hon. members of this house I am the only one who has lived within a

short distance of the proposed site of the South Saskatchewan river development dam. I lived there for a number of years, so I think I can speak authoritatively as to the problem, as to the need and as to the urgency of developing this project. The hon. member for Lake Centre (Mr. Diefenbaker) has suggested both last session and this session that the minister representing Saskatchewan and the government of that province should hang their heads in shame, but I say that is not so. You just do not embark upon a scheme involving the expenditure of fifty, a hundred or a hundred and fifty million dollars without investigating the potentialities. After all is said and done Canada is a nation; it is not just a matter of one isolated spot. Therefore when I say this is a proper expenditure to be made, I have in mind the need for the project and the urgency in relation to it. Some time ago in the Regina *Leader-Post* there appeared an article headed "River betrayal plan" by the attorney general of that province, a chap by the name of Corman. He says we have betrayed the people, and that we are going to compel the Saskatchewan government to pay half the cost of approximately $100 million or the dam will not be proceeded with. That statement is absolutely wrong; that was never said. We want to make sure that the provinces where we are spending money on water conservation make use of that water. There is no point in building a dam on the South Saskatchewan if the water is just going to lie there for a few fish to swim in or for someone to take a bath now and again. That water must be utilized.

Then on this continent we have the St. Lawrence waterway development scheme, which has been under discussion for a good many years. If people will just stop and look at the geographical set-up of this country they will see that we have the greatest inland water system of any nation in the world, and it is at our very doorstep. Let us not lose sight of that fact. Everything we have has to do with water. I hear an hon. member say I am full of water. Well, I would hate to say what he is full of. Today we are living in the greatest paradox imaginable in connection with this commodity called water. In Ottawa we are at the junction of two rivers, but we find that in the summertime there is not enough water available to permit people to water their lawns. If you go to Montreal you find the same situation. They have the same problem in Vancouver; yet they are living adjacent to water everywhere. If eight weeks ago I had made the statement that water was one of the most essential and most critical things we have in Canada I might have been laughed at, and possibly I will be laughed at now. Had I forecast eight or ten weeks ago that a city the size of New York would be brought to its knees due to a shortage of water somebody might have said, "Oh, bosh; he doesn't know what he is talking about." Today, New York cannot expand. It is all right for you to laugh, my friend, if you wish, but water is one of the most important commodities we have in Canada. If you have not got water, if it is not conserved and properly utilized, continued existence is not possible.

The point I am trying to make, Mr. Speaker, is this. The Minister of Agriculture (Mr. Gardiner) is the one man in Canada who has taken a concrete, forward step with regard to this matter. He has fought inch by inch for these water developments. He has had the foresight to do so. I am wondering whether we in this parliament today, whether we of this generation in the Dominion of Canada, are going to have the foresight necessary to make provisions for the development of the water resources of this country. We talk about the Hudson Bay railway, and I am in favour of it. I am in favour of utilizing every facility we have in the Dominion of Canada. We think this railway is a great thing, but it is only a bagatelle in comparison with the development of the St. Lawrence. At least 4 cents per bushel will accrue to the western farmer on every bushel of wheat that is sold, to say nothing of the inland development which will take place.

Today there was an announcement with respect to power. There is a great paradox again, power. We have gone to bed on it, but not the dominion government. Consider the potential power in the St. Lawrence, 2,200,000 horsepower. It is sitting there at our back door. I have been in Ottawa for six or eight months, and about a month ago was about the first time I ever saw all the lights turned on. I tell you it is time we got down to a bit of realistic thinking. Some people say it is the fault of the federal government, but it is not. If one looks at all the documents and follows the correspondence through, examines the research that has been done since the plan originated back in 1938, one finds that the blame can be put on the congress of the United States. Probably I should not say that, but it is not a government statement, it is my statement. For the purpose of keeping the New York state vote, congress has not touched the St. Lawrence development. In the provinces of Ontario and Quebec, and the adjacent states in the United States, we have everything at our doorstep short of power. It is for that reason I suggest that the time is long past when we in the Dominion of Canada should recognize our responsibilities,

and not be concerned with today or tomorrow, but think in terms of ten years from now. We should develop our water resources.

I am going to turn to the question of trade now, and more specifically to the question of trade with Great Britain. We have heard many references to British trade today. At this time I should like to say that I agree with the remarks the Minister of Agriculture made in this house last fall. I believe he has repeated this statement since then, but he suggested there seemed to be an organized attempt on the part of British officials to do away with trade agreements. Having said that, I expect some comments will be made upon it. I am not saying that the British people do not want to trade with us. They not only want to trade with us, but they want and need our products. During our peak period of trade in agricultural products in 1946 or 1947, it amounted to approximately $450 million. Today, hon. members have said our trade has fallen apart. If they will check the figures, I believe they will find that last year we did approximately $400 million worth of business with the United Kingdom, which is only approximately $50 million less than the all-time high. I do not think this government should hang its head in shame over a record like that.

Further than that if our position today is reviewed, I fully believe the contracts we now have, and the business that will be done with the United Kingdom in the ensuing year, will come close to that figure. I believe all of us in this house appreciate, not necessarily fully understand, some of the suffering and hardship through which the people of Great Britain have passed during those trying years of war and since that time. Great Britain has had a lot of help from Canada. Possibly the trade agreements that were made were made with the understanding that after the war Canada would get a better deal. Apparently, that is not so. I should like to say now that I am rather surprised that the minister in charge of these contracts in Great Britain, or in charge of the purse strings, would do what he did when it came to a matter of making the odd contract for our eggs, cheese and a few such small items. For the sum of approximately $30 million, the British government has engendered the ill will of the producers of eggs, milk and cheese in Canada.

I believe the responsibility for this lies at the door of the ministry in Great Britain. It is my understanding that Great Britain has undertaken to have on hand when Marshall plan aid ends in 1952 the sum of $2 billion in dollar reserves. A few years ago Great Britain started to accumulate this sum. Today she has approximately $1,860 million of that reserve, and there is still about two years to run. If anyone in this house can tell me where the common sense lies in engendering the ill will of the producers of this country for the sake of $30 million, as against $2 billion, when she already has $1,860 million, I should like to be shown. I cannot reconcile it, myself. If that is the type of government Great Britain has, I fear for the future of Great Britain.

I note that in a speech that was delivered by the member for Eglinton (Mr. Fleming), a part of which appears at page 140 of *Hansard*, he said:

> Figures from the dominion bureau of statistics show that the value of our field crops alone in Canada in 1949 fell by 16 per cent as compared with 1948, from a total of $1,696 million in 1948 to $1,427 in 1949.

Why did the hon. member not tell the rest of the story? It reminds me of the great Disraeli; you all know Disraeli. During the course of a debate in the House of Commons he is said to have remarked that there are lies, damned lies and statistics. These happen to be statistics which the hon. member is using, but he is using them to misrepresent the facts. The hon. member will point a finger over here and say that we have done this, but you have done that. But it is all right if he gets up and misinterprets. Did he tell you the rest of the story? He mentioned 16 per cent. Did he tell you that practically half of the province of Saskatchewan, the biggest agricultural value-producing area in the Dominion of Canada had no crop and had nothing this year? Does that not more than account for the 16 per cent? He did not tell you that, did he? I am telling you. I want to correct that impression. Then he goes on a little further on and says:

> Under the control system they sacrificed more than $500 million as a result of the government's wheat policy alone. Our farmers were not permitted to sell their wheat on the free markets of the world. Today those same farmers are being deprived of the promised fruits of that policy.

The first comment I am going to make is this. This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) stated that the farmers had lost one billion dollars. About a week ago the hon. member for Eglinton (Mr. Fleming) said that they had lost a half a billion dollars. Just about ten days ago or less the hon. member for Souris (Mr. Ross) stated that the loss had been two billion dollars. If they are going to state that the farmers have lost something, I wish to heaven they would get together on the amount; then, having got together on the amount which the farmers lost, they might submit some proposal to the government and the government might act on it. But I suggest that no loss was incurred, and I want to tell you the story.

I do not know whether I am going to have the time in which to do it tonight; if not, we shall have to adjourn the debate and go on at the next sitting.

At the time the war started, I was in the grain business, on the line. Under the Canada Grain Act, the grain companies must buy all the grain that is offered. But the war came. There was no chance for these dealers or grain companies to sell their grain. So what did they do? They came pit pat, pit pat to the Canadian government and said, "Will you help us out?" If the grain exchange had stayed open, the farmer would not have obtained anything for his grain, because they could not sell it. That is the first thing.

Mr. Hodgson: They sold for $1.25 less than the world price.

Mr. Dewar: Did they? Wait a minute and I will come to that. I will tell you something about that. That is all right. We were fighting a war. Don't forget that. The money that was being used to buy that wheat from the western farmers was coming from where?

Mr. Hodgson: Were we fighting a war for the last five years?

Mr. Dewar: You just keep quiet until I get to the point. I will come to it. Just rest there for a minute.

Mr. Whitman: Don't be so impatient.

Mr. Dewar: We were fighting a war and the money that was going towards the buying of that wheat came from where? It came out of the credits that this government established in this country on a lend-lease basis for Great Britain; in other words, it came out of the pockets of the taxpayers. So we could have put the price up to $2 a bushel, but it would not have meant anything. But we said, "No; we are going to hold the line", and we did it most successfully. If the government did nothing else during the war years, it held down inflation; and I am proud to be associated with men who had the foresight to do that. Having said that, I will proceed.

The grain exchange were quite happy to take their profits on storage. They had no chance of losing any money. They took their storage charges. They were able to write off those balloon-type bins they built and charge it up against profits. But as soon as the war ended, when even a Chinaman could have sold wheat to anybody, what did they do? They came to the government and said, "Give us back the wheat. We want to sell it". Do you suppose for one minute that the producer would have shared in those profits?

Mr. Sinnott: He would not.

Mr. Dewar: He certainly would not have; definitely not. So my hon. friend and some of his colleagues have the temerity to rise in their places and suggest that the farmers of this country lost half a billion dollars. One of them says half a billion, another says a billion and another says two billions; I am wondering if it will get up to three billions.

Mr Hodgson: The Minister of Agriculture agreed with the half billion figure. He said so this afternoon.

Mr. Dewar: If I remember correctly the Minister of Agriculture has never stated that, and you will never get him to state it.

Mr. Hodgson: He did this afternoon. Read *Hansard* tomorrow.

Mr. Dewar: I think probably the hon. member had better read *Hansard*, and it will put him straight.

Then we come along to the post-war years. Those on the other side of the house are always talking about the great big harvests and the great feeling we as a member of the commonwealth should have for Great Britain; but by the lord Harry, they never miss an opportunity to suggest that we should shove prices up to them and make them pay through the nose. In other words, their charity goes just to the extent that happens to serve their ends. Then another little thing—

Mr. Hodgson: Where are the long-term contracts now?

Mr. Dewar: Just relax for a minute and I will come to that. As a matter of fact, it being eleven o'clock, Mr. Speaker, may I move the adjournment of the debate?

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow as the first item we shall move to go into supply. When the motion is passed we shall call three departments, namely, external affairs, national defence and agriculture. Then we shall resume the debate on the address. But from eight o'clock until nine there will be an hour for private and public bills.

Mr. Drew: I think there should be some explanation as to why it is felt that it is necessary to call three departments at this time. Why is it necessary to call more than one or at the most two at this time?

Mr. Fournier (Hull): At the beginning of any session since I have been in the house we never started off with one department; it was always with two or three. In this instance we are trying to meet the wishes of

the opposition who would like to have a day on some department. If I did not have three departments at my disposal, I would not undertake to get the ministers here at a time which would suit the opposition. I think this is a reasonable request to make for the start. As to next week, I shall have further discussions with the members of the opposition. I repeat that I want to co-operate. But on the other hand, there must be co-operation from both sides of the house. I really think that this request is reasonable.

Mr. Coldwell: I should think that two departments would be reasonable, because if one minister were away the other could bring forward his estimates.

Mr. Weir: He might be sick.

Mr. Coldwell: In any event, I would remind the Minister of Public Works (Mr. Fournier) that the Prime Minister (Mr. St. Laurent) suggested that one department a week might be called. If three go through tonight, this must not be taken as a precedent that three or two should be called in subsequent weeks. This may be a comparatively long session; and as we know, when the departments are all in hon. members' opportunities for raising grievances in the house—the age-old custom —are limited. After what the Prime Minister said the other evening, I think we in the opposition must be careful that we do not allow too many departments to go in at this time lest we find ourselves in the position, a little later on, of not being able to raise grievances on going into supply, if we wish to do so, week by week, throughout the session, which may be a longer one than many of us anticipated when we came here.

Mr. Fournier (Hull): A long session, in my experience, is approximately twenty weeks. There are twenty or twenty-one departments that have to be brought in. Even if we bring in three departments today, and bring it up to about five, to give me a little leeway in the calling of departments, there will still be another fifteen or sixteen departments to be called. We could not go into supply on the first three days of the week without putting a formal motion. We have to have a formal motion even if we did not have any new departments to bring in. We could not study the estimates on a Monday, Tuesday or Wednesday without putting a formal motion. Then hon. members can air their grievances.

Well, if I have not a certain number of departments, the order paper having very few bills, I would not like to take a chance of seeing the house without work in advance. The more that is considered the more it will be seen that I am quite reasonable.

Mr. Coldwell: All I am trying to do is to point out that it should not be regarded as a precedent for another week, or for subsequent weeks.

Mr. Fournier (Hull): We would not consider it in that way.

Mr. Coldwell: Because, after all, the house has set aside rules pretty thoroughly just lately. The very fact we are going into supply is against all parliamentary procedure until the house has voted confidence in the government. There is no question the house will vote that confidence; but custom is that this shall not be done until after the address has been approved, and, though the debate may be long or short, that is the procedure which the house should follow.

Mr. Fournier (Hull): It will not be considered as a precedent. But I believe the hon. member for Winnipeg North Centre (Mr. Knowles) would agree that, while government business is generally decided by the government, we never follow the rules strictly. Generally we consult with opposition leaders as to what would be the best procedure to follow. That is what we intend to do this year—not to keep to that strict rule whereby the government would just come in and announce its business and proceed in that way. I do not think that would go toward making progress.

Mr. Knowles: Perhaps it was because the minister was interrupted, but I do not think he indicated what the business would be when and if we finish the matter of getting into supply.

Mr. Fournier (Hull): I announced we would resume the debate on the address, with the exception of the hour from eight to nine, which goes to public and private bills.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, February 28, 1950

The house met at three o'clock.

STANDING COMMITTEES

Mr. W. G. Weir (Portage-Neepawa) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house under standing order 63, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Benidickson
Boisvert
Brooks
Campney
Cardiff
Carter
Coldwell
Cote (St. Johns-Iberville-Napierville)
Cote (Matapedia-Matane)
Courtemanche
Dickey
Dechene
Diefenbaker
Fair
Fulford
Gingues
Gour (Russell)
Harris (Grey-Bruce)
Hartt
Knowles
Leger
MacKenzie
Mutch
Parent
Pouliot
Richard (Ottawa East)
Riley
Stewart (Yorkton)
Tustin—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Adamson
Beaudry
Bertrand
Black (Cumberland)
Bonnier
Bourget
Breithaupt
Cannon
Carroll
Carter
Chevrier
Clark
Darroch
Dewar
Douglas
Eudes
Ferguson
Follwell
Garland
Gauthier (Portneuf)
Gibson
Gillis
Goode
Gourd (Chapleau)
Green
Harrison
Hartt
Hatfield
Healy
Herridge
Hodgson
James
Jutras
Lafontaine
Lennard
Macdonald (Edmonton East)
Maybank
McCulloch
McGregor
McIvor
McLure
Murphy
Murray (Cariboo)
Nixon
Noseworthy
Pouliot
Richard (St. Maurice-Lafleche)
Riley
Robinson
Rooney
Ross (Hamilton East)
Shaw
Stuart (Charlotte)
Thatcher
Thomas
Thomson
Weaver
Whiteside
Whitman
Wylie—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Argue
Balcer
Bater
Bonnier
Brooks
Cameron
Campney
Casselman
Cauchon
Cleaver
Cote (Verdun-La Salle)
Cournoyer
Croll
Decore
Demers
Eyre
Ferguson
Fournier (Maisonneuve-Rosemont)
Gauthier (Lapointe)
George
Hansell
Hosking
Hunter
Jeffery
Johnston
Kent
Kirk (Digby-Yarmouth)
Knight
Langlois (Berthier-Maskinonge)
Lennard
Little
MacDougall
MacLean (Cape Breton North and Victoria)
McLean (Huron-Perth)
Murphy
Noseworthy
Parent
Richard (Gloucester)
Roberge
Robertson
Sinnott
Stanfield
Stewart (Yorkton)
Tustin
Valois
Warren
White (Middlesex East)
Whitman
Winkler
Wylie—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Adamson
Argue
Arsenault
Ashbourne
Beaudry
Belzile
Benidickson
Bennett
Blackmore
Bradette
Breithaupt
Brooks
Cannon
Cleaver
Cote (St. Johns-Iberville-Napierville)
Dumas
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Fulton
Gibson
Gour (Russell)
Harkness
Harris (Danforth)
Hellyer
Helme
Hunter
Isnor
Laing
Lesage
Low
Maltais
Macnaughton
Macdonnell (Greenwood)
Maybank
Picard
Prudham
Quelch
Richard (Gloucester)
Richard (Ottawa East)
Riley
Sinclair
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Winnipeg North)
Thatcher
Weaver
White (Hastings-Peterborough)—50

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Ashbourne
Balcer
Beaudry
Benidickson
Blue

Standing Committees

PUBLIC ACCOUNTS—Continued

Messrs:

Boisvert
Boivin
Brisson
Browne (St. John's West)
Cauchon
Cavers
Cleaver
Cloutier
Croll
Cruickshank
Denis
Diefenbaker
Fleming
Fournier (Maisonneuve-Rosemont)
Fulford
Fulton
Fraser
Gauthier (Portneuf)
Hansell
Helme
Homuth
Isnor
Johnston
Kirk (Antigonish-Guysborough)
Langlois (Gaspe)
Larson
Major
Maybank
Murphy
Picard
Pinard
Prudham
Richard (Gloucester)
Richard (Ottawa East)
Riley
Robinson
Sinclair
Stewart (Winnipeg North)
Thatcher
Thomas
Warren
White (Hastings-Peterborough)
Winkler
Wright—50

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Argue
Arsenault
Aylesworth
Bater
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blue
Browne (St. John's West)
Bryce
Catherwood
Cavers
Charlton
Clark
Cloutier
Corry
Cote (Matapedia-Matane)
Courtemanche
Coyle
Cruickshank
Darroch
Decore
Demers
Diefenbaker
Dumas
Fair
Fontaine
Gauthier (Lapointe)
George
Gosselin
Gour (Russell)
Harkness
Hatfield
Hetland
Jones
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Laing
Lapalme
Leger
Lesage
MacKenzie
McCubbin
McLean (Huron-Perth)
Murray (Oxford)
Murray (Cariboo)
Quelch
Richard (St. Maurice-Lafleche)
Roberge
Ross (Souris)
Sinnott
Studer
Thomson
Whitman
Wood
Wright
Wylie—60

(Quorum—20)

STANDING ORDERS

Messrs:

Boisvert
Boucher
Casselman
Denis
Green
Hansell
Henry
Homuth
Huffman
Knowles
Langlois (Gaspe)
Lapalme
MacDougall
MacLean (Cape Breton North and Victoria)
Pinard
Robinson
Ross (Souris)
Smith (York North)
Stuart (Charlotte)
Viau—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Applewhaite
Arsenault
Ashbourne
Bennett
Black (Cumberland)
Blair
Bryce
Cannon
Catherwood
Conacher
Cote (Matapedia-Matane)
Cournoyer
Fulford
Gibson
Gillis
Harrison
Helme
Henderson
Higgins
James
Kirk (Antigonish-Guysborough)
Langlois (Gaspe)
Leger
Macdonald (Edmonton East)
MacInnis
MacNaught
Maltais
McLean (Huron-Perth)
McLure
Mott
Pearkes
Smith (Queens-Shelburne)
Stick
Stuart (Charlotte)
Thomas—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Adamson
Benidickson
Black (Cumberland)
Boivin
Brisson
Campney
Dickey
Dumas
Eyre
Ferrie
Gauthier (Lapointe)
Gauthier (Sudbury)
Gourd (Chapleau)
Harkness
Herridge
Higgins
Hosking
Hunter
Jones
LaCroix
Lafontaine
Larson
Little
McIvor
McWilliam
Pearkes
Proudfoot
Rowe
Simmons
Sinnott
Stick
Thomas
Weaver
Welbourn
Wylie—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Balcer
Beaudoin
Black (Cumberland)
Boucher
Bourget
Brown (Essex West)
Byrne
Carroll
Cloutier
Cote (Verdun-La Salle)
Croll
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gillis
Gingras
Goode
Higgins
Homuth
Johnston
Kent
Knowles
Lapalme
Macdonald (Edmonton East)
MacInnis
Maybank
McWilliam
Mitchell
Murphy
Nixon
Pouliot
Ross (Hamilton East)
Smith (Calgary West)
Stewart (Yorkton)
Thomson
Weaver—35.

(Quorum—10)

DEBATES

Messrs:

Boucher
Casselman
Fauteux
Henry
Knowles
Major
Murray (Oxford)
Pouliot
Simmons
Smith (Calgary West)
Valois
Viau—12

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Balcer	Gauthier (Portneuf)
Bater	Graydon
Beaudoin	Green
Benidickson	Hansell
Bradette	Jutras
Breithaupt	Laing
Campney	Leger
Coldwell	Low
Cote (Matapedia-Matane)	MacInnis
	Macnaughton
Croll	McCusker
Decore	Mutch
Dickey	Pearson
Diefenbaker	Picard
Fleming	Pinard
Fournier (Maisonneuve-Rosemont)	Richard (Ottawa East)
	Robinson
Fraser	Stick—35
Gauthier (Lake St. John)	

(Quorum—10)

PRINTING

(Members to act on the part of the Commons)

Messrs:

Argue	Harkness
Ashbourne	Healy
Bertrand	Hetland
Beyerstein	Hodgson
Black (Chateauguay-Huntingdon-Laprairie)	Hunter
	Knowles
Blackmore	Lapalme
Boivin	MacLean (Cape Breton North and Victoria)
Bonnier	
Browne (St. John's West)	Maltais
	McDonald (Parry Sound-Muskoka)
Bryce	McGregor
Cameron	**McIvor**
Cardiff	McLean (Huron-Perth)
Cauchon	McWilliam
Cavers	Murray (Cariboo)
Charlton	Murray (Oxford)
Cruickshank	Robertson
Darroch	Shaw
Decore	Sinnott
Douglas	Smith (Queens-Shelburne)
Fauteux	
Ferguson	Stanfield
Ferrie	Studer
Follwell	Tustin
Fontaine	Weaver
Gagnon	Whitman
Gingras	Wright—54
Gosselin	
Gour (Russell)	

(Quorum—)

RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Breithaupt	Leger
Casselman	Lesage
Cournoyer	Little
Dewar	McCulloch
Ferguson	McGregor
Gauthier (Sudbury)	Ratelle
Gour (Russell)	Richard (Ottawa East)
Hansell	Rochefort
Harkness	Simmons
Jutras	Stewart (Winnipeg North)
Lafontaine	Stick
Langlois (Berthier-Maskinonge)	White (Hastings-Peterborough)—24.

(Quorum—)

LIBRARY

(Members to act on the part of the Commons)

Mr. Speaker and Messrs:

Applewhaite	Jones
Beyerstein	Kirk (Digby-Yarmouth)
Blackmore	Knight
Brown (Essex West)	LaCroix
Carroll	Laing
Carter	Leger
Casselman	MacNaught
Cleaver	McIlraith
Conacher	Pearkes
Coyle	Proudfoot
Dechene	Ratelle
Demers	Rochefort
Eudes	Ross (Hamilton East)
Fauteux	Rowe
Gingues	Smith (York North)
Gourd (Chapleau)	Smith (Moose Mountain)
Hansell	Tustin
Hellyer	Valois
Henderson	White (Middlesex East)
Higgins	Whiteside
Homuth	Winkler
Hunter	Wood—44.

(Quorum—)

Mr. Weir moved that the report be concurred in.

Mr. Knowles: Does the list as presented include the names of the members of the special committee on railways and shipping owned, operated and controlled by the government?

Mr. Weir: No, it does not.

Motion agreed to.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, February 27, 1950

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Tuesday, the 28th February, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,

sir,

Your obedient servant,

J. F. Delaute

Assistant Secretary to the Governor General

PRINTING OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Argue, Ashbourne, Bertrand, Beyerstein, Black (Chateauguay-Huntingdon-Laprairie), Blackmore, Boivin, Bonnier, Browne (St. John's West), Bryce, Cameron, Cardiff, Cauchon, Cavers, Charlton, Cruickshank, Darroch, Decore, Douglas, Fauteux,

Ferguson, Ferrie, Follwell, Fontaine, Gagnon, Gingras, Gosselin, Gour (Russell), Harkness, Healy, Hetland, Hodgson, Hunter, Knowles, Lapalme, MacLean (Cape Breton North and Victoria), Maltais, McDonald (Parry Sound-Muskoka), McGregor, McIvor, McLean (Huron-Perth), McWilliam, Murray (Cariboo), Murray (Oxford), Robertson, Shaw, Sinnott, Smith (Queens-Shelburne), Stanfield, Studer, Tustin, Weaver, Whitman and Wright, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That Mr. Speaker and Messrs. Applewhaite, Beyerstein, Blackmore, Brown (Essex West), Carroll, Carter, Casselman, Cleaver, Conacher, Coyle, Dechene, Demers, Eudes, Fauteux, Gingues, Gourd (Chapleau), Hansell, Hellyer, Henderson, Higgins, Homuth, Hunter, Jones, Kirk (Digby-Yarmouth), Knight, LaCroix, Laing, Leger, MacNaught, McIlraith, Pearkes, Proudfoot, Ratelle, Rochefort, Ross (Hamilton East), Rowe, Smith (York North), Smith (Moose Mountain), Tustin, Valois, White (Middlesex East), Whiteside, Winkler and Wood be appointed to assist Mr. Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act as members of the joint committee of both houses on the library; and that a message to sent to the Senate to acquaint Their Honours therewith.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That Mr. Speaker and Messrs. Breithaupt, Casselman, Cournoyer, Dewar, Ferguson, Gauthier (Sudbury), Gour (Russell), Hansell, Harkness, Jutras, Lafontaine, Langlois (Berthier-Maskinonge), Leger, Lesage, Little, McCulloch, McGregor, Ratelle, Richard (Ottawa East), Rochefort, Simmons, Stewart (Winnipeg North), Stick and White (Hastings-Peterborough), be appointed to assist Mr. Speaker in the direction of the restaurant so far as the interests of the House of Commons are concerned, and to act as members of a joint committee of both houses on the restaurant; and that a message be sent to the Senate to acquaint Their Honours therewith.

Motion agreed to.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

RESEARCH COUNCIL ACT

PROVISION FOR ADDITIONAL VICE-PRESIDENT—DEFINITION OF "INVENTION"

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

That it is expedient to introduce a measure to amend the Research Council Act to provide for the appointment of an additional vice-president of the national research council, and to bring the act into conformity with the Patent Act as to the definition of "invention".

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

EMMA MOIR

EXPRESSIONS OF CONGRATULATION ON HER 106TH BIRTHDAY

On the orders of the day:

Mr. L. E. Roberge (Stanstead): Mr. Speaker, on a question of privilege, there is a severe case of unemployment in my constituency which I hope we shall not have to solve. I refer to a very dear old lady, Mrs. Emma Moir, of Beebe, Quebec, who is celebrating her 106th birthday today. Through you, Mr. Speaker, I wish to send her our congratulations and to wish her health and happiness.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

TRADE CONDITIONS—PROPOSED COMMONWEALTH CONFERENCE

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, history and tradition combine on a motion such as the one which has just been made, to give to members of the House of Commons an opportunity to bring to the attention of His Majesty's advisers such matters as, in their opinion, are of importance. It is the highest privilege that is possessed by members of parliament. It goes back some 475 years. It enables any member of the house to bring to the attention of the executive matters which, in the view of those who take advantage of the opportunity and privilege so offered, should be given immediate consideration.

On this occasion I shall bring to the attention of the ministry and the House of Commons a question that has been discussed on other occasions; and in order to give the house an opportunity to declare its view I shall move an amendment. Hon. members, realizing, as they must, the situation with respect to trade conditions, will thereby have the opportunity of making their contribution towards the solution of this most difficult problem.

I shall not make a lengthy speech at this time, nor shall I enter into a great deal of

statistical detail. I listened the other day, with the interest that a declaration by the Secretary of State for External Affairs (Mr. Pearson) demands, and I was impressed by the view that he expressed—the division of the world as between those who believe in democracy and those who espouse communism. He dealt in particular with the situation in Asia, and indicated that some consideration had been given to the question of trade, but apparently left a more detailed discussion in that regard to the Minister of Fisheries (Mr. Mayhew), who we hope we shall hear shortly in this house. All of us in democratic nations must realize that only by the preservation of our trade and the maintenance of a high level of employment can communism in fact be prevented from spreading and existing on an even wider scale than it does.

I am not going into the agricultural side of the trade picture at this time; but food is in general the antidote to communism. Food and a higher standard of living spell the answer of the free peoples to communism, when they are combined with a democratic and free way of life. A depressed economy, unemployment, lost markets and the like, will lead to the spreading of false ideologies throughout the world. The United Nations itself has drawn attention to this within the last few days. A report published on February 17 by representative United Nations economists is to the effect, among other things, that the world trade situation became worse in 1949, and that all efforts to achieve trade balances have failed. The space devoted to the world trade situation, says the author of this article, Mr. Norman Altstedter, indicated that economists regard this as the No. 1 economic problem. The article states that world production continued to increase and that employment remained at a high level. As far as Canada was concerned it said:

> But Canada also experienced some difficulty in finding outside markets for some surplus commodities including wood products. She could expect the same for wheat.

Then the reason was given for this situation in the world:

> The basic problem outlined is disruption of the old pattern of three-cornered trade. European countries formerly paid for their imports from the United States by selling commodities to under-developed countries for dollars.
>
> The under-developed countries now are short of dollars because their exports to the United States have been reduced through war devastation, development of synthetic substitutes in the United States, and increased consumption in the under-developed countries of their own products.

The same view has been expressed by economists regularly in our own country in national periodicals. I quote only one, Mr. P. M. Richards, writing in Toronto *Saturday Night* of February 17, 1950. He not only deals with the problem but gives the reason for its existence and continuance. These are his words:

> At this moment the world is completing its division into three separate economic areas, each with its own trade fence around it. One is soviet Russia and its satellites; another is the sterling area; the third is the United States of America and Canada. Scarcely anything could be more economically hurtful to Canada. . . . It is important to note that this division between the soft currency countries and ourselves does not originate with them, but with us.

In 1948 the importance of foreign trade to our country was pinpointed in an address by the Secretary of State for External Affairs, at that time under-secretary, when he used these words:

> World trade to Canada is the difference between the full dinner pail and the breadline.

Those words were epigrammatic, powerful and descriptive of the situation; for unless we maintain our trade with the commonwealth countries and other countries—without in any way interfering with our trade with the United States, with which I am not going to deal—our unemployment situation cannot improve; indeed it will deteriorate.

There are some who say that our unemployment situation is not serious. In the February, 1950, edition of *The Listening Post*, publication of the Canadian federation of mayors and municipalities, these words appear:

> The federation views this trend, this mounting incidence of unemployment, with grave concern. The municipal governments are in no better position today to meet the cost of unemployment relief than they were during the depression decade of the thirties.

This is not anything new, and for the past two and a half years we on this side of the house, without regard to party, have been pressing upon the government the necessity of taking this house and the people of Canada into their confidence and letting us and them know the situation in reference to this question of trade. We warned, but we were ridiculed, and what we said was answered by so-called statistical information. Statistics do not supply employment for men and women out of work. We pointed out the trade position before the last election, but because of the fact that $460 million was made available in Canada by way of income tax returns and wheat payments, there was extra purchasing power and a higher level of employment than otherwise would have been the case. The deteriorating trade situation to which we referred was stressed in the press: in the

Financial Post of January, 1949; and in *Canadian Business* of April, 1949, which contained the report of an address by Mr. Henry G. Birks, in which he used these words:

The enormous shadow of this problem is casting its shadow over this dominion.

The Canadian Exporters Association, made up of men engaged in business, presented a brief to like effect to the government in 1949. In summary they said that Canada was losing old and well-established trade connections with many parts of the British commonwealth and empire. While admitting the need for United States dollars, they argued that the normal pattern of Canada's export trade should not be obscured, and that the needs of the future should be kept in mind. The Canadian Chamber of Commerce also warned the government in 1949. Instead of information being given to us, information was hidden from us. When members of this house asked to be taken into the confidence of the government, the reply was that all was well, in spite of the fact that conditions were gradually deteriorating everywhere so far as our trade was concerned, other than our trade with the United States.

Canada's exports to the United States during 1949 were the highest in our history, amounting to $1,503,500,000; it is only fair to admit that. On the other hand, our imports from the United States amounted to $1,951,900,000, leaving a trade deficit of $427,800,000. That was an increase over the previous year of about $144 million, a situation which should challenge our attention.

In 1949 our imports from the United Kingdom reached a total of $307,400,000 the highest in our history. Canada had a surplus with the United Kingdom of $401,800,000, compared with a surplus of less than that for 1948, thereby widening instead of reducing the trade gap. The situation was known, and yet after the last session we went home, as we did in April, with little information about the true situation. Then, as now, we were willing to co-operate, as Canadians, in assisting the government in its endeavour to find a solution to this problem.

How many members in this house, Mr. Speaker, know much about the Geneva trade agreements? Two years ago there was great haste to call parliament together to consider those agreements. I remember well the night of November 17, 1947, when the then prime minister, Mr. Mackenzie King, indicated that those agreements represented the greatest advance in the history of world trade. Parliament was called together, and what happened? We heard no more about it. Parliament had been called for the particular purpose of ratifying those agreements, but nothing was done about them. What is the situation, so far as Canada is concerned, in respect of the Geneva trade agreements?

I should like to ask the government what happened to the reciprocal trade negotiations with the United States which were undertaken two or three years ago. Much was made of the potentialities of a draft trade agreement with the United States, but we have not heard any more about it. Rumour had it that it was drafted, and then dropped, and all discussion ended by the action of the Canadian government. As recently as March 22 last the Minister of Finance (Mr. Abbott) indicated that when the legislation before the United States congress, known as the Reciprocal Trade Agreements Act, was passed, Canada would have an opportunity of seeking further trade agreements with that country. What has been done? Must we always be in the dark? Are these not matters that affect parliament and the Canadian people? Must we know what is happening in the matter of trade only after the negotiations have been completed and an agreement entered into? Surely the members of this house should be given an opportunity to discuss these matters tentatively, to the end that in a community of counsel there would be some solutions suggested that would be helpful to the government.

As stated earlier, I am dealing particularly with the British commonwealth. I have before me an editorial from the *Financial Post,* dated January 29, 1949. It is entitled, "Must we write off our British trade?" Near the end of the article, it states:

It is high time we learned how we fit into this new policy of barter deals—

That is, British barter.

—and colonial food development. Literally hundreds of thousands of Canadian jobs, and scores of Canadian communities, are dependent on our overseas trade, not to mention millions of dollars in land, plant and equipment. If we are not to be hurt, and hurt seriously, in the near future, then we must see clearly what is coming, and if necessary make other plans at once.

That article was published over one year ago. I ask you, Mr. Speaker, what has been done during the thirteen months that has since elapsed? We on this side of the house believe that immediate action must be taken to correct the deterioration of our overseas markets. Canada will not build up markets by optimistic government statements not founded on fact. We shall not build up these markets by bland optimism and diffusive satisfaction expressed by the government.

It has never been explained to us what the Minister of Agriculture (Mr. Gardiner) meant by a statement he made in a speech to the board of trade at Brantford on December 5, 1949. I shall read his words, and I

think it is time that parliament and the people of Canada are made to realize their meaning. When the minister used these words he was not speaking off the record; he was speaking from a prepared text. He said:

> During the last two years a very decided official effort has been made to drive every one of these products,—

He was speaking of apples, pork, eggs and cheese, as well as beef and milk.

> —excepting wheat, off the British market. And now that the four-year wheat contract is drawing to a close an effort is being made to drive off a considerable part of our wheat as well. Therefore if Canada's agriculture was to be threatened further in the "cold war" over exchange, even free trade farmers would have to advise all farmers to buy where they could sell.

The time has come when parliament has a right to ask the Minister of Agriculture what he meant by those words. Who were the officials who were making the effort in Britain to drive out those products? Who were the persons who were threatening a continuance of the "cold war?" These are things that only an open conference can determine, when representatives from all parts of the commonwealth get together.

I am not saying the government has not tried to preserve our trade. We have had delegations running all over the world, pilgrimages with boards of advisers travelling hither and yon. What do they bring back but reports? They report on how they enjoyed themselves, how valuable the meetings were; but we never find out what the valuable things are which emanate from these pilgrimages. Certainly it is fine to see our perambulating peripatetic representatives travelling around the world. It is all very well to have Canada attending conferences, but surely we have the right to know what they accomplish, outside of an expenditure of money which parliament is asked to vote for these visits. I am not saying the government has not tried.

Mr. McIlraith: Do you want us to recall the trade representatives?

Mr. Diefenbaker: The parliamentary assistant will have every opportunity to tell us. He has not, however, been one of those who travelled. He has not any of the sunburn some of the others have acquired.

Mr. McIlraith: Answer the question.

Mr. Diefenbaker: I cannot hear these babbling interferences, Mr. Speaker, which are spoken in a voice designed to ensure that they be not heard, except by *Hansard*.

Mr. Robinson: The hon. member does not want to answer.

Mr. Diefenbaker: I shall read, Mr. Speaker, from an article appearing in the Toronto *Daily Star* on February 11 last. Amongst other things, it says:

> United Kingdom manufacturers today were told unless they increased exports to dollar countries "we shall have to go without many of the essential foods and raw materials we buy from the U.S. and Canada."

Then it quotes the Prime Minister as saying:

> It is very strongly in our national interests to encourage imports of British goods into Canada.

That is a proper statement. According to the article, the Minister of Trade and Commerce (Mr. Howe) used these words:

> For a long time Canadians have wanted to purchase more from the sterling area.

In other words it has not been a lack of governmental desire, but the representations made to Britain have not been made in an open conference, so that all may know where the responsibility lies for their lack of success.

I quote now from a press report, of February 10, of an interview by Mr. Warren Baldwin, while he was in London, with Lord Swinton, deputy leader of the Conservative party in the House of Lords. Amongst other things, Lord Swinton said this:

> You and I have our own ideas of things that could be done if we get together around the conference table.

The former prime minister used to say that in a conference, when men have their feet under a table, they are able to arrive at conclusions, and more surely provided they represent the peoples and parliaments. May I point out that Lord Beaverbrook, on February 16, said this, as reported in the London *Daily Express:*

> The Canadian economic situation can only be satisfied if Britain, in her strength, remains the market for empire produce on which Canada's farmers depend altogether. . . .

I shall quote now the chief representative of a group of businessmen, the Canadian Exporters Association. Speaking in Port Arthur on February 22, John A. Marsh, general manager, is reported as follows:

> Addressing the Port Arthur chamber of commerce, he made the suggestion as one point in a program which might be carried out by Canada, the United States and Britain to relieve present trade difficulties.
>
> He asked that Canada call such a conference, to be held in Ottawa, in the belief that the commonwealth and empire is a "good and honourable association of nations for the good of the world and for trade."

Then he used these words:

> There are many indications that several of the sister dominions would welcome such a conference,

and that many of the colonies, particularly the British West Indies, would await the findings with great interest.

That is the suggestion made by a leading representative of a group of exporters. We in this party believe that parliament should be given an opportunity to vote on the question whether such a conference should be convened—not to make the commonwealth an exclusive trading area, but to the end that while continuing our trading relations with the United States and other nations, we might restore to ourselves the markets that have been lost during the last few years. We believe that such a meeting would be advantageous. No longer would information be hidden behind the shrouds of secrecy. Action is necessary.

We have a good trade administration service in most of the countries of the world. The Canadian trade commissioner service has done excellent work. There are now ninety-five commissioners operating in forty-five countries. The men who operate there need as support for their efforts a declaration of policy from all parts of this commonwealth and empire with regard to trade, and particularly the restoration of markets that have been recently lost. Other commonwealth conferences, both economic and political, have resulted in good. None has ever resulted in harm.

As I listened to the Secretary of State for External Affairs the other day I was impressed as he reviewed what happened in Colombo, and as he indicated the pride we have in this commonwealth and in all parts of it. We did not hear much about trade discussions there; we were not let in on that. Apparently it was not a trade conference; in reality it was a conference for discussion and the making of recommendations, but not for implementing in any way the recommendations that were made.

We believe that a trade conference at government level would bring results. We believe such a conference should not be a hush-hush meeting. We believe that the British people should know if there is over there, as the Minister of Agriculture indicated, anyone in official circles who has interfered with our trade and is boycotting us in any way. We should know, as should the British people, who those officials are. We believe that if such a conference were convened, bringing together representatives at government level who have a full realization of the situation facing the commonwealth and empire, and the desire to rehabilitate all parts of the commonwealth and empire by the return of trade to at least its former level, it would go a long way toward providing in this country jobs for the unemployed, whose members may greatly increase within the next few months or the next few years. We believe that if men and women were brought together in such a conference, responsibility would be placed on the shoulders of those who are responsible for diverting trade from Canada; for that is what the Minister of Agriculture's statement means, if it means anything at all. We would have an entire blueprint of production within the commonwealth and empire, and we would have arrangements made in the spirit which has actuated members of this commonwealth and empire in the past, to the end that prosperity may be assured, at least to the extent of preserving the markets which we had and which are lost.

Exercising, therefore, the traditional right of parliament when a motion such as the one before us has been made I move in amendment, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

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

"this house is of the opinion that the government should take immediate steps to convene at the earliest possible date a conference of the nations of the British commonwealth and the countries of the empire to devise policies to restore our lost markets, and thereby to provide jobs for our Canadian people."

Mr. M. J. Coldwell (Rosetown-Biggar): The hon. member for Lake Centre (Mr. Diefenbaker), Mr. Speaker, has proposed an amendment having to do with a subject which is of great interest not only to the house but to the entire country. I have no doubt that at this session much of the attention of parliament will be given, and properly so, to the problem of our trading relationships; and particularly will hon. members be desirous, I hope, of doing what they can to assist the government in restoring Canada's trade position and protecting ourselves against the loss of markets with which we are now threatened.

I agree with the hon. member when he says that for the last two years, after a very important debate in this house, and statements to the effect, as he has intimated, that the Geneva agreements were a forward step in the history of world trade and trade relationships, we have neither seen nor heard anything of the agreements. There was on the order paper for some time in the session, I believe, of 1948, a resolution calling upon parliament to confirm the Geneva agreements to the extent that they had then been entered into. It was left there because other conferences were being held. Since then we have heard nothing about the Geneva agreements. May I remind the house—

Mr. Abbott: They are in effect.

Mr. Coldwell: They are in effect, but I am going to repeat what I said: this house has heard nothing about the resolution to confirm the Geneva agreements that we were supposed to consider over two years ago. If the agreements are in effect, I say they should be in effect by and with the consent of parliament, not merely by order in council. That is not good enough, particularly in view of the fact that some of us believed, and so stated, that these Geneva agreements, becoming effective as they did on January 1, 1948, would militate against our trading relationships with our best customer—the United Kingdom.

We adopted the non-discriminatory clauses of the agreement, clauses which need not have been adopted for a whole year if the monetary situation as between Britain and Canada remained difficult. Under the agreement, as I remember it, even at the end of that year we could have gone to the contracting parties and asked for further consideration and an extension of time for putting those trade agreements into effect. That we could have done, and that we did not do. The quotas and prohibitions made effective in 1947 with respect to certain classes of imports into this country, having regard to the trade position as between this country and the United Kingdom, militated more against our trade with the United Kingdom than they did against our trade with the United States.

Mr. Abbott: Exactly the reverse.

Mr. Coldwell: Well, let me call the hon. gentleman to witness. A short time ago he made the announcement that quotas and prohibitions were to come off within the next few months, and he said he hoped that would enable the United Kingdom to sell British goods to Canada in larger quantities.

Mr. Abbott: I do not want to interrupt my hon. friend, but when did I make the statement that quotas and prohibitions were coming off?

Mr. Coldwell: The minister made the statement a short time ago that on the first of April and on the first of July—

Mr. Abbott: Just to keep the record straight, again this year, as last year, I announced that there would be further relaxations in the import restrictions, some of them on the first of April and some on the first of July. That follows what was done last year. It implements a policy which I set out as government policy, namely, that they would be removed as soon as our exchange position justified such relaxation.

Mr. Coldwell: That is exactly what I was referring to.

Mr. Abbott: These are the facts.

Mr. Coldwell: As I understood the announcement at the time it was made, it was suggested that it would be of more assistance to the United Kingdom; that the United Kingdom would therefore be able to market more goods in this country. If it was to be of assistance to our trade with the United Kingdom and with the sterling area generally, then the natural inference for one to draw was that these prohibitions and quotas, when they were put on, were barriers against that same trade with the sterling area, and particularly with the United Kingdom.

The hon. member for Lake Centre referred to the statement of the Minister of Agriculture (Mr. Gardiner) on December 5. I have not the document before me. I recall that on December 10 last I referred in the house to that speech. I raised the question, and we had a debate upon it. While the Minister of Agriculture did not deny the accuracy of the statement as reported he did very considerably modify it—or, shall I say, explained away to some extent the implications of the speech.

I have been watching carefully over a considerable period of time the discussions in Great Britain about her trading relationships, and I have not been able to find, from any statement made by a responsible British minister, that the British did desire to discriminate—that was the interpretation—against Canada in the purchase of supplies from abroad. Never on any occasion have I seen a statement of that kind. On the contrary, as the hon. member for Lake Centre has already intimated, I have seen what the financial editor of Toronto *Saturday Night* indicated, namely, that this is not entirely a British problem. It is our problem as well; the earning of dollars by Britain will enable her to continue and indeed to increase her purchases of goods in this country. It seems to me that is the crux of the situation.

Reading in the London *Times* some of the questions asked during the recent election campaign in Great Britain of the British Minister of Food, and the answers thereto—and in other British newspapers as well that come by air mail; I try to read them as thoroughly as I can—I have noted that one of the difficulties which the ministry faced was the constant criticism of the rising cost of living, and the question why certain classes of supplies were bought in Canada at higher prices than those at which they could be bought elsewhere. It is suggested that there is a desire on the part of the British to restrict purchases of goods from Canada. But that is not so; and I am not thinking only of the present government; if there was a

change of government in Britain, the attitude would be the same. No matter what party may be in power in Great Britain, every attempt will be made to trade as much as possible with this country, because of course our economy is so largely complementary to theirs. No matter what government may be in power in this country, we too must realize that their economy is complementary to ours, and that consequently our best market is in the sterling area. For these reasons I have suggested—and I am going to make the suggestion again—that we should discuss with the British ways and means of maintaining our market in Britain; ways and means of enabling them during this temporary period of difficulty to purchase in Canada the supplies they need. I know there may be some doubt as to whether this can be done, but I believe it is worth while discussing with them the possibility of our accepting, on a temporary basis at least, sterling in payment for Canadian goods—not sterling that will be frozen in Great Britain and therefore an obligation upon them at some future day. It might be used as sterling was once used on this continent, namely, to invest in the undeveloped areas of the world, and of the sterling area particularly.

If the amendment proposed by the hon. member for Lake Centre contemplates that the conference to be called will bring about agreements of the kind that were arrived at in this city some years ago, then I do not think we could possibly agree to it. I do not think we should endeavour at any time to build up around ourselves, or around the commonwealth of nations, trade barriers that would result in other trade barriers being placed around other areas. I did not understand that that was the idea the hon. gentleman had in mind, but I wanted to make it clear that we could not approve that kind of arrangement.

One other thing I want to say is that we in Canada can do something else; we can look over our tariff schedules. There are many Canadian industries that years ago received protection from competition from Great Britain and other parts of the world because they were said to be infant industries. Their infancy has long since passed—not only have they passed their infancy; they have passed their adolescence. They have now grown up and are able to compete in the markets of the world. Therefore we should look over our tariff schedules and customs regulations to see what we can do to ease the duties against countries in the sterling area, so that we may receive more goods more freely and thus enable those countries to earn dollars in this country with which to buy the goods that we have to sell and must sell abroad.

[Mr. Coldwell.]

I should like to hear some further discussion by members of the official opposition on what they have in mind with regard to the proposed conference. I do not believe that a conference is ever a bad thing; as the hon. member for Lake Centre says, it is a good thing. But you must have no ulterior motive in attending or calling such a conference. I should like to hear more about what would be considered and what should be done at such a conference. Anything that will enable this country to restore confidence in our markets, that will protect our great agricultural community from the loss of markets with which it has been threatened over the last few months, should be undertaken.

I believe I speak for my colleagues when I say that one of the principal obligations of this house at this time is to review our trading relationships and our tariff structure to see if there is any interference with the sale of our goods abroad. Let us always bear in mind the fact that a tariff wall is not only a wall against imports; in reality it is a wall against the national income. Therefore what we can do to assist in maintaining our production and our income we should endeavour to do, individually and collectively—individually as members of parliament trying to make our own contribution to the welfare of the state, and collectively through the political parties represented in this house, and, perhaps even more so, as the parliament of Canada.

Mr. Victor Quelch (Acadia): Mr. Speaker, I was surprised that this question should have been brought up in this way, because after all there are before the house amendments to the address in reply to the speech from the throne which deal with this matter. In saying this I do not mean to indicate that the question is not of vital importance. The peculiar thing about the so-called dollar shortage and the loss of markets is that this is not something that just developed all of a sudden; it has been developing for many months, in fact for a number of years. The thing that people in this country are not able to understand is why we have allowed the situation to reach a climax before taking the necessary steps to stop it.

I was amused at an article which appeared in Toronto *Saturday Night* of February 7 under the heading, "In praise of fear," by P. M. Richards, and I should like to quote briefly from it as follows:

> The silly feature of all this is that the inevitableness of the world dollar crisis should have been obvious from the start. Our politicians and economists and bankers must surely have known it, yet they consented to follow the line of least immediate resistance.

I think we all feel that way. Then the writer indicated what he thought would be

a solution for the problem. Perhaps this article was written in a somewhat frivolous vein; nevertheless there is a germ of truth in it. Here is the way in which he says such a depression could be avoided:

> I have a plan for the avoidance of economic depressions. It's simple, but, I think, should be effective. Each nation would appoint an economic czar, pay him handsomely and treat him with honour so long as he did well, but hang him—no excuses accepted—immediately the economy dipped below a certain level. He would get nice cash bonuses, and extras like beautiful Egyptian dancing girls, if results were extra good. If, unfortunately, they were extra bad, the economic czar's staff would be executed too.

I think men who accept positions of great responsibility for which they are well paid should have some obligation to produce results. What happens is that when they fail they are appointed to the Senate or made judges of the supreme court, or are paid higher salaries in order to encourage them to do better in the future. They suffer no penalty because of their inability to accomplish the task given to them.

I have been interested in recent months reading the speeches of the Minister of Agriculture (Mr. Gardiner), and I want to congratulate him upon the way in which he places responsibility upon those whom he terms financial crackpots, the economists. I notice that the other day he said that some people are making it difficult to get our surpluses to the areas where they can be consumed. Who are those individuals? I think the Minister of Agriculture, having gone that far, should go a step farther and inform the house just who the people are who are making it impossible to distribute goods that are surplus so that they may be made available to people who need them.

We were told by the conference of the FAO that it would not be wise to adopt the ICCH proposal because it might delay convertibility. I do not believe the people in India, China or other parts of the world who are suffering from starvation consider it a good excuse when they are told that they must continue to suffer, in spite of the fact that there are large surpluses, just because it might delay convertibility of currency. I think they are far more interested in getting goods that might be made available to them than in seeing the convertibility of currency established.

As I say, the matter was crystal clear many months ago—in fact many years ago, back as far as 1944 and 1945. During those years this house debated at great length the question of the financing of international trade, and the matter was referred to the committee on reconstruction. We had Dr. Clark, the deputy minister of finance, before us, and the question was discussed at some length. I criticized the proposals that were placed before the committee, which were the forerunners of the Bretton Woods agreement, on the ground that they did not provide the means, in the first place, by which the devastated areas of Europe could be rehabilitated. It did not provide a method whereby these nations could get back rapidly into production. Furthermore, there was no provision under these financial arrangements whereby the creditor nations would be obliged to accept payment for their exports by taking imports from the areas that had rebuilt their industries.

The same argument was advanced on the discussion of the Bretton Woods agreement. I want to remind the Conservatives that at that time apparently they did not realize exactly what the Bretton Woods agreement stood for. Therefore we are suffering today from the consequences of that agreement because nobody in the house could possibly suggest that the funds provided under it could meet the great unbalance of trade today. Yet we were told then that that proposal would meet the financial needs of the world in the post-war transitional period and for a long time afterward.

The other day I put on the record a statement by Mr. Snyder to that effect. We have been told time and again that we do not want to have a recurrence of the kind of trade restrictions and controls that we had in the depression years. Indeed, anybody who studies that period will find that the reason these controls had to be put into operation was to bring about an adjustment in trade relations. The depression came first and then the controls were adopted to rectify the situation. I think that is made quite clear in a publication issued by the United States department of commerce entitled "The United States in the World Economy". At page 13, under the heading "Future Problems and Policies", I find the following:

> Unless the supply of dollars is more adequate to meet the requirements of other countries, they assuredly will insist on their rights to exercise a close selective control over the use of the amounts available and to promote more intensive relations with third countries under preferential trading arrangements. And unless dollars are made available with greater regularity than in the past it would be both unjust and unwise to demand the removal of restraints and controls largely designed to protect the internal economies of other countries against external shock and pressure.

During the discussion of the Bretton Woods agreement we pointed out time and time again that it had a definite pro-creditor bias, that it placed absolutely no responsibility whatsoever upon creditor nations to accept payment from debtor nations in the only

way that the debtor nation could pay, by the exports of goods. At that time we were told it was a question of trade agreements, and that later on international trade agreements would be brought down which would place the responsibility where it should be. Later on we had the Geneva trade agreement. Did that take care of the situation? The Geneva trade agreement made the matter ten times worse. Not only did it leave on the debtor nation the obligation to balance trade, but it also placed upon the debtor nations restrictions that made it absolutely impossible for them to protect themselves against excess exports from creditor nations.

I am referring of course to the non-discrimination clause. The pamphlet to which I have referred, "The United States in the World Economy", emphasizes the fact that debtor nations must be allowed to exercise controls and restraints on trade in order to protect their balance of payments. The Geneva trade agreement was referred to the standing committee on banking and commerce, but was not endorsed by it. It was returned to the house without being endorsed, and it has never been brought back to parliament. Why? It is a very strange thing. This government is operating under the Geneva trade agreement. The government made agreements with other nations endorsing it. It was sent to the banking committee, failed to get endorsation, and has never been brought back before parliament. Nevertheless we are continuing either to operate under it or to pay lip service to it.

Mr. Low: Hear, hear. Where did they get their authority?

Mr. Quelch: The vicious thing about the Geneva trade agreement is the so-called policy of non-discrimination. Surely it must be obvious that if a nation has an unbalance of trade with one nation and a favourable balance of trade with another it should be allowed to restrict its imports from the nation with which it has an unfavourable balance and increase its imports from the one with which it has a favourable balance. Yet, under the Geneva trade agreement, if a nation curtails its imports from one country it must curtail all similar imports from all other nations as well, even though it may have a favourable balance of trade with some of the other nations. The thing is absolutely unjustifiable. It cannot be defended on any score. I notice at the time we were discussing it no real defence was made for the so-called policy of non-discrimination. The Minister of Finance (Mr. Abbott) made some slight excuse in the house one day. He said that the United States was very keen on it and he thought we should play along with them, or words to that effect. I am not quoting him exactly, but he certainly gave the impression that just because the United States was insistent upon this policy, and we were very much dependent upon the good will of that country—

Mr. Abbott: Not at all; the Minister of Finance believes in non-discrimination himself, and he said so.

Mr. Quelch: Who said so?

Mr. Abbott: I did, and not because the United States believe in it but because we believe in it.

Mr. Quelch: The Minister of Finance stated that the United States was making a fetish of it, and because they were so strongly in favour of it we were supporting it. Do not forget that under the Geneva trade agreement there were escape clauses which were put in there because it was recognized it would be impossible for certain nations to live up to these proposals. But the Minister of Finance said he was not prepared to use the escape clauses. He thought we should live up to the principle of the agreement. Why were the escape clauses put in there? They were put in because it was recognized apparently that they would be necessary in the transitional period, and it was evidently hoped that within a few years they would no longer be necessary. It is recognized that by 1952 we will not have established an equilibrium in world trade. That is frankly admitted by the interim report of ERP.

A lot of discussion has taken place as to what measures will be taken after Marshall aid ends. I think it is recognized by all people that some other kind of measure will have to be found. I am greatly disappointed that the government did not see fit to support the proposal put forward by the commodity experts of FAO. The Minister of Agriculture (Mr. Gardiner) stated he believed in the underlying principle, but on the other hand he was not going to support it because he apparently felt that we in Canada could do many of the things proposed thereunder. He believed we could store our surpluses and could finance directly with the nations concerned instead of financing through the international commodity clearing house. I am not criticizing the government on that score if that is their policy. If the policy of the government now is to take steps to store our surpluses until they are needed, if it is their policy to finance exports of goods to nations that have not the dollars to pay for them, if they will do that, then I will have no criticism of the government for failing to support the international commodity clearing

house. On the other hand, if they do not do so then I say they have definitely committed a breach of faith with the people of Canada and other peoples of the world. After all the lip service we have paid to such organizations as the United Nations and FAO, if we allow surpluses to accumulate and production to be reduced when there are starving people in need of them I say it shows a lack of sincerity on the part of the people who are dealing with these measures.

So far as the amendment is concerned it could mean a lot and it could mean nothing at all. If the proposal is that we convene a conference of the members of the commonwealth, if we are prepared to consider realistic proposals such as will recognize that the creditor nations have an equal responsibility with the debtor nations for balancing trade; if we will recognize that to the extent of being willing to accept imports in exchange for exports, investing surplus pounds in the underdeveloped countries, then perhaps we would have some chance of success. Furthermore, if we are prepared to recognize that the so-called policy of non-discrimination under the Geneva trade agreements is not a sound policy, then I think a conference of that kind might accomplish something. On the other hand, if the Conservatives are advocating a conference in order to bring in the kind of proposals they continue to support in this house, such as the proposal to make currencies convertible today, the thing would be doomed before it ever met. We have heard so many statements by members of the Conservative party criticizing the government for not having made currency convertible. To talk of the convertibility of currency in a world where there is an over-all disequilibrium of over $6,000 million is of course absolute and utter nonsense.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I do not propose to take a great deal of time speaking to this amendment. I had not contemplated doing so, but in the course of the discussion two or three points have been raised on which I might say a word.

The amendment proposed by the hon. member for Lake Centre (Mr. Diefenbaker) asks that Canada take the initiative in calling another conference, as he puts it, of the nations of the British commonwealth and empire, to devise policies to restore our lost markets and thereby provide jobs for our Canadian people. As the hon. member for Rosetown-Biggar (Mr. Coldwell) said, conferences of this kind are always helpful. I am not just sure what my hon. friend would suggest as the agenda for such a conference. I am not sure, as was indicated by the hon. member for Rosetown-Biggar, whether this would be another conference such as was held in the early thirties, for raising tariffs and creating a special, preferred area. If it were to be that sort of conference I for one, as the hon. member said, would not want to take part in it.

It is true that there are many difficulties in connection with trading in the world today; but my experience has not been that those difficulties are due to a lack of conferences. I have attended some myself, including the Bretton Woods conference to which allusion was made a short time ago. On short notice I went to London last July to a meeting which was attended by the finance ministers of the nations of the commonwealth, at which inevitably trade matters were discussed. It was a very helpful conference, and led to the further meeting in Washington in September, at which trade and financial matters were again discussed, and at which I think certain desirable long-term objectives were laid down and certain short-term policies were agreed upon which have proved helpful. Frankly, however, I do not think the trading problems of the world are going to be solved by simply calling another conference. I for one do not like to either initiate or attend a conference unless I know exactly what we are going to talk about. While I have no doubt it will be found desirable to hold further conferences to discuss trade matters, I do not know that the holding of a full-fledged commonwealth or empire conference at this time would add very much to the knowledge of this or any other member of the commonwealth in reference to specific solutions which can be found for these trade difficulties.

Now I want to say just a word about the references that have been made to the Geneva trade agreements. As the house knows, those agreements have been given only provisional application as far as Canada is concerned. They are in effect, and have been in effect for some eighteen months, I think. They have proved of the greatest benefit to this country; and in my opinion the substantial increase in our exports to the United States last year was in large part a result of the very definite tariff concessions we obtained under those Geneva agreements. They are subject to ratification by the congress of the United States, as they are subject to ratification by this parliament; and it is perhaps just as well that we should not try to rush them through our parliament before they have been brought up for consideration in congress.

Mr. Coldwell: Were they not on the order paper for a long time?

Mr. Abbott: That is quite true; they were on the order paper but were not reached before parliament dissolved.

So much for the Geneva agreements themselves. I want to say just a word about the policy of non-discrimination to which such exception has been taken by the hon. member for Acadia (Mr. Quelch). If any country in the world had an interest in establishing as a trading policy that one country should not discriminate against another by putting on arbitrary embargoes, prohibitions and the like, that country is Canada. My hon. friend comes from a part of the country which, I understand, is very interested in exporting beef cattle to the United States, as well as other agricultural products. If we got into this ring-around-a-rosy of discrimination nothing would be easier than for the United States to say, "We will just put an embargo against Canadian cattle coming into the United States," and I do not think that would be in the interests of Canada. The same thing goes for a great many other things; and that applies not only to the United States but to many other countries as well. So, as far as I am concerned, and I believe I am expressing the views of the government in this respect, we stand four-square for a principle of non-discrimination. As far as this country is concerned a reasonable tariff is the only form of barrier we want to place against importations; and we are constantly striving to reduce tariffs by reciprocal agreements with other countries.

If hon. members will recall for a moment the history of this country since 1935 they will remember that as soon as this government got back into power it negotiated the first reciprocal trade agreement with the United States. That was followed by two later treaties, one of which was really a three-way treaty with the United Kingdom; and it was then that our trading position with the United States began to improve. Now we sell to that country, speaking from memory, something of the order of a billion and a half dollars' worth of goods and services each year. That is an absolutely vital factor in our trade; and any policy we adopted which might be considered by our southern neighbour as unfriendly would, I think, be an extremely undesirable policy for Canada.

There was only one other point raised to which I want to make brief reference; that is the suggestion by the hon. member for Rosetown-Biggar that we should accept sterling for some of the surplus products we have available for sale but which some of our customers in the soft currency areas say they have not the money to buy. The hon. member qualified his suggestion by saying we should not accept blocked sterling, but should take sterling we could use a little later to do something or other with, or to invest in some other part of the world. I would point out that, nevertheless, in effect we would be taking blocked sterling, because today sterling is not a convertible currency. Our producers and our workers cannot take sterling and use it to pay their bills. So for the exports we sold in exchange for sterling we would have to provide Canadian dollars to our own citizens; in other words we would be extending additional credit to those purchasers. That may or may not be desirable; but I think the house and the country should realize that in taking sterling in payment for our goods we are extending credit; and in addition, for what it may be worth, we are assuming an exchange risk as well.

My view, which I have voiced here previously, is that if we are able and willing to extend additional credits to other countries, we should do so in terms of our own currency. At the present time, as the house knows, we are continuing to extend credit to the United Kingdom at the rate of $10 million a month on the very substantial credit originally arranged. In my opinion that is all we can afford to extend at the present time, because it must be remembered that one country cannot extend credit to another except in one of three ways. It must consume less than it is producing, and in Canada today we are consuming very close to what we are producing. There is little surplus for extending credit abroad. Second, we can borrow money somewhere else, in order to lend it to a third party. In other words, it would be quite possible for us to borrow money in the United States, in order to extend credit to the United Kingdom or western Europe. But I have never heard it seriously suggested we should follow that course. Third, we could extend that credit out of our accumulated reserves of gold and United States dollars. I do not think I need to tell the house that those reserves today, while they are improving, are certainly no more than adequate for the requirements of a trading nation such as Canada.

By imposing still more rigid import restrictions, embargoes and one thing and another, which would prevent people importing from the United States such essential things as steel and coal, we could reduce our consumption, and so have more available for lending abroad. Perhaps I need hardly point out to the house that Canada today is a country which requires substantial capital investments. The oil fields in western Canada, which are in the process of development, require a substantial capital investment.

I must say, therefore, that I feel it is unrealistic to expect that we in Canada can produce any substantial over-all surplus which would be available for foreign lending. We will do what we can in the future, as we have in the past. I do not think anyone should be under the illusion that we can extend additional credit, whether by accumulating sterling for investment in Burma, India or anywhere else, or any other form of credit, unless we are prepared to restrict our own consumption in this country.

I do not know that there is anything more I have to add. The motion which has been proposed by the hon. member for Lake Centre (Mr. Diefenbaker), on a motion to go into supply, amounts to a motion of want of confidence. I repeat what I said at the beginning, that I do not think anything is to be gained by a further conference of the kind suggested. Whatever our difficulties may be, they are not due to a lack of conferences. Such conferences, however, are always helpful. We have never refused an invitation to attend a conference of this kind. May I close by saying that I do not think any steps need be taken by Canada to initiate such a conference.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I am happy to second the motion moved by the hon. member for Lake Centre (Mr. Diefenbaker). I believe it is of vital importance to this country. I am not at all disturbed, and I trust other hon. members will not be disturbed, by the suggestion of the Minister of Finance (Mr. Abbott) that this is some devious means by which we are going to raise tariffs in some imperial trading club, and thus interfere with the trade we have with the United States of America. Let me assure you, sir, and assure this house that that is not the sort of motion that has been moved. I feel that no one should know that better than the Minister of Finance, or his colleague the Minister of Agriculture (Mr. Gardiner).

I recall the same bogey being raised in this house long ago. I was here at the time the famous statement was made by Mr. Mackenzie King, who on a similar occasion, about 1930, told us we must not provoke the United States of America. We have grown up, Mr. Speaker, and the United States is prouder of us because we have. A few years after that the countervailing duties were proposed by the same party. Only five years before, they had ridiculed the brick for brick policy of the Right Hon. Arthur Meighen when he led this party. We are not talking about tariffs. Whenever there was any mention of tariffs, there was an immediate cry, "Hush, hush; we must not provoke the United States."

The United States of America, Mr. Speaker, does not look on this great independent country of Canada as a child in swaddling clothes. They realize we are one of the greatest trading nations in the world. I agree with the Minister of Finance when he says that Canada will develop into a great trading nation. As our country grows and develops year by year, whether the Liberals, Conservatives or any other party is in power, the natural evolution of Canada will be to trade more and more with the United States of America. Since we live beside the United States, that is the natural thing. I agree with the Minister of Finance when he says we need that country. I understand that at the moment $100 million is needed to develop the great oil fields of western Canada in that rich province of Alberta. Some day it will be, if it is not now, the richest province in the dominion.

As one who has watched the growth of this country, Mr. Speaker, I can visualize pipe lines carrying oil out of Canada, instead of dusty railway cars bringing coal into Canada. I know that one plant has already spent a million dollars in converting the boilers to burn Alberta oil instead of Pennsylvania coal. No one can think of the future of this country without realizing that we are bound to have increased trade with the United States of America. As a farmer, I can even visualize the possibility of the United States increasing its population to such an extent that it will buy more of our agricultural products. There are now 150 million people in that country, while we, with all these natural resources, have such a small population. During election campaigns, we talk about our great hinterland, the oil of western Canada, our coal and such natural resources—

Mr. Abbott: And our great paper mills.

Mr. Rowe: Yes, we have some great paper mills. They are run just as well as this government is running the country, too, but I do not think that is much of a compliment. I do not mean to say that the Minister of Finance could not run a paper mill quite well, either. I am not going to discuss that, however, or be sidetracked. In all seriousness, I do want to say that this motion does not involve any particular commodity, or any particular group of manufacturers. It involves the general economy of this country. In the utmost sincerity, I say that I am appalled and amazed at the attitude of this government.

Last year I read an article in the Montreal *Gazette* to the effect that the Minister of Finance inferred there was a great possibility of developing trade with the United States. He seemed to emphasize it. I read another article which stated that the Minister of

Trade and Commerce had made the same type of speech. There is not an hon. member in this house, from any part of the dominion, who has not a friendly feeling towards the United States, or a most optimistic outlook concerning trade with that country. It is natural. But, Mr. Speaker, surely we can arouse this government from their lethargy. Surely we can impress upon them that we are trying to find a market for products that the United States now has a surplus of, and which they are trying to sell as well. I cannot understand the government's attitude. For instance, the United States is a country that has 230 million pounds of dried milk, 95 million pounds of butter, 22 million pounds of cheese, 64 million pounds of dried eggs or the equivalent of 192 million dozen, 172 million bushels of wheat, 83 million bushels of corn and almost 4 billion bales of cotton now owned by the government—

An hon. Member: Potatoes.

Mr. Rowe: And somebody says potatoes. There are millions of hundredweight of potatoes going at one cent a hundredweight. How can any sane businessman, let alone a member of parliament, think for a moment—

Some hon. Members: Oh, oh.

Mr. Rowe: Yes; probably I might have put it the other way round. How can they judge for a moment that we are going to open up trade avenues for the surplus agricultural products of the mixed farmers of Canada? Stop and think about it. What we are doing today, Mr. Speaker, is pleading with all the sincerity that we possess that this government will continue our friendly trade relations with that greatest country in the world, the United States of America. But we ask them to sit down around a table with the prime ministers of the other British dominions and representatives of the other empire countries. It is true that plenty of excuses can be put up, as has been done by the Minister of Finance (Mr. Abbott) today, in order to show what cannot be done. But whether it is in business or private affairs, I find that you never get anywhere by sitting down and trying to find a reason why you cannot do something. We want to show the reasons that it can be done. It has been done before, Mr. Speaker.

What alarms me even more is this. We know that today, even outside our economy, probably the most vital concern of every one of us is security. Those of us who have children and children's children coming on are concerned, as is every hon. member of this house, with the safety and security of our people. The government has the Atlantic pact for the defence of our security in that respect. We are spending, I believe, $400 million this year and I understand that perhaps next year we may spend even $800 million. I am not criticizing that expenditure. Perhaps it will be necessary to spend a billion. God only knows. We all pray to God that it will not be necessary to go on and on spending in preparation for war. We can talk all we wish, but it is in the power and control of others whether we are going to safeguard our peace or not.

We have learned through history, in the first great war as well as in the second, that armies march on their stomachs, and that the agricultural production of nations is of vital concern. We know how difficult it was in the first war to feed the troops overseas. We know how, in the second war, the poor children of Europe almost starved to death. We know how the British housewife got along—without going into what has been presented in the magazines—living on three or four ounces of butter per week, and with the shortage of other foods. I should like to urge upon the government the vital importance of our production of food and the maintenance of markets to encourage that production, as it is linked, dovetailed and interwoven with our whole defence policy itself. There is no question about that, Mr. Speaker. What are we going to do?

Not so long ago I heard the Minister of Agriculture (Mr. Gardiner), as did every other hon. member who is here now, telling what might have to happen if the war continued. I remember that one evening he gave an interesting speech in which he told us that the people might have to eat more cereals and less other foodstuffs, and that it might come to the stage where we might have to handle our foodstuffs and our cereals production so that the people could even exist if the war lasted long enough. That is of vital importance. In this cold country, where you have costly machinery and high-priced buildings, you cannot maintain that production unless you have some place in which to market the products at a reasonable rate, even though it is not as high a rate as we have been receiving. I know that some will say, "You are getting better prices today." That is irrelevant. We are not talking about the high prices we have had during the war. There were high prices in 1919, and following the first great war. Wheat went to enormous prices. Hogs went to $26 a hundredweight. I can remember, as can many others in this house, the period back between 1925 and 1930 when even the farmers said, "Oh, this will never end", and so on and so forth. We had enormous markets at that time in Britain.

After 1914 and 1917, when we developed our ability to supply the old land, in normal times when she did not have her food rationed she took enormous quantities from us. In 1921 we sold Britain $77 million worth of meats alone. We sold her 250 million pounds of bacon in 1920. In 1900 we sold her more cheese than we are going to sell her in 1950.

What is wrong? It is all very well to talk about the dollar; but I leave it to you, Mr. Speaker, and to this house to answer that question. Again I say: Would any sane businessman, who had had a customer for fifty years, change customers or forsake him because that customer got a little hard up for a year or two? It is not going to deprive us of the United States markets. The Minister of Finance is only repeating verbatim speeches that were made here when Mr. Robb was minister of finance. I remember an occasion, because I was here in the house at the time—I think it was in 1926—when the same speeches were made. It will be recalled that in our election campaign we used Mr. King's statement: "You must not provoke the United States of America." It was used in one of the monthly books we put out as campaign literature.

Mr. Gardiner: It is a nice thing to belong to a party that can keep its leaders and its policies.

Mr. Rowe: Yes, it is; but, Mr. Speaker, a former leader of the minister's party, Sir Wilfrid Laurier, said that it was better to break a bad policy than to keep it. I think the minister might look over some of that former leader's words; because if you have failed two or three times, you should at least take the hint and start to learn.

In 1922 the Fordney-McCumber tariff cut our markets off overnight for beef cattle in the United States. Then after we tried not to provoke the United States of America, in 1930 the Hawley-Smoot tariff cut us off overnight. There was nothing wrong about their doing that in the United States. Probably the odd cattle man was a little bit sore for a while, but no hon. member in this house thought any the less of the United States of America for handling their own business. We were selling cattle here in Ontario just a while before that time for about twenty cents a pound. I can well recall selling them, after the Hawley-Smoot tariff—and they were just as good cattle—for a nickel a pound. I remember selling hogs for less. That is all very fine, but we had lost that market.

Mr. Abbott: We are getting a lot of them back now.

Mr. Rowe: Will the minister tell me any of those articles that I have mentioned for which there is a permanent market in the United States, when their milk is going rancid?

Mr. Abbott: We are still selling potatoes, coarse grain and beef.

Mr. Rowe: That must be a grand market in which you are selling potatoes, when in that market potatoes are selling for one cent a hundredweight. The minister says sure, that is all right.

Mr. Abbott: We are selling them.

Mr. Sinnott: That is not our worry.

Mr. Rowe: There you are, Mr. Speaker. Sufficient unto the day is the evil thereof. They do not care what is happening to them.

Mr. Sinnott: That is not our worry.

Mr. Rowe: The hon. member does not seem to worry much about anything in this regard. I should not say that, because I see he is busy writing a letter and did not hear what was being said. Surely, Mr. Speaker, there is no one within the sound of my voice who will say it is not our worry. What would the minister say, as a capable lawyer and a good businessman, and as Minister of Finance? Would he say that it would be wise to sell our products, and hope for a long time sale of them, to somebody who had more of similar products than he knew what to do with?

Mr. Abbott: I believe in selling our products where we can sell them and getting paid for them.

Mr. Rowe: That is exactly what I am trying to say about the market that we have had. The market to which we have sold the most of our agricultural products in the last three-quarters of a century is the United Kingdom. There is no question about that.

Mr. Abbott: We have never sold potatoes in that market.

Mr. Rowe: I am not going to be disturbed about whether we sell potatoes or not.

Mr. Abbott: Page the hon. member for Victoria-Carleton (Mr. Hatfield).

Mr. Rowe: I never grew many potatoes—

Some hon. Members: Oh, oh.

Mr. Rowe: So far as this issue is concerned at the present time I know that in the United States at different times there has been a market for a lot of potatoes.

Mr. Abbott: There surely has.

Mr. Rowe: There surely has, yes; but in 1920 we sold in the British market 250 million pounds of bacon; and in 1930, when we were in somewhat the same position as the minister

indicates today, we were importing from Denmark bacon which was being sold on the butcher shop counters in Regina, and which had been fattened on western grain as well in Denmark. Denmark was selling to Britain over 600 million pounds of bacon a year. We actually lost that market, as the Minister of Agriculture (Mr. Gardiner) so well knows.

It is true that at the present time there is a socialist government in Britain, but even that might change—

An hon. Member: We hope.

Mr. Rowe: But regardless of that, we have been losing these markets, and no one knows that better than the Minister of Agriculture. He seems to say these things himself but he does not like my saying them. He knows we are losing this market. Several years ago he told us in the house how many trade agreements we had with Britain. He named them over and over. We had trade agreements for cheese, for bacon, for wheat, for eggs, for powdered milk. We had all sorts of trade agreements. We have lost them.

Mr. Gardiner: We never had as many as you fellows say we had.

Mr. Rowe: We have lost them so fast it was difficult to keep track of them.

In 1946 the United Kingdom drew up new trade agreements with foreign countries, with other parts of the empire, with other parts of the sterling area, and indeed with countries inside and outside the iron curtain. But, Mr. Speaker, that is not the most alarming feature of these trade agreements. The most alarming feature is that they have been drawn up for five and ten years. That is why in all sincerity I urge this government to take cognizance of the motion that has been moved and try to sit around a table with other members of the British commonwealth and empire to see if there is not something they need. I know very well that we have been importing into Canada in the last couple of years millions of dollars' worth of goods that could have been purchased in the sterling area. I know, and other hon. members know, that the United Kingdom was selling to Russia, to Czechoslovakia, Yugoslavia, and Poland, heavy steel equipment that we could have used here. Surely, you could sit around with a group of businessmen and work out something on that score. What is going to happen? Why are we going to spend a billion dollars to get ready to support the Atlantic pact unless we are going to be secure in trade? Would it not be the feasible thing to ask around the conference table when you are having a caucus of all the members of the British commonwealth and empire? What is going to happen if some time, like a flash in the night, we are in a death struggle with that great power to the west? Could we not say to one of the members of the commonwealth: You have been getting pit props from there; you have been buying your lumber from there; you have been buying a million tons of barley and wheat from there at a time when we cannot sell our wheat. These are conditions that could be developed.

I know that the Minister of Agriculture, every member of the government and every member of the House of Commons must be a bit concerned about the near future. There would have to be a change overnight because we would have to be their suppliers again. Therefore, if we are so essential to them in time of trouble, and we talk so much about the Atlantic pact, and how we must stick together in time of trouble, surely there is a chance to sit down and talk in time of peace.

Mr. Gardiner: The Tory press will be getting after you.

Mr. Smith (Calgary West): The *Free Press* has been getting after you.

Mr. Rowe: I hope I am not like some hon. members. If the Tory press or the Liberal press gets after me I will not say that I have been misquoted.

Mr. Abbott: Sell them the paper.

Mr. Gardiner: Sometimes they misquote you.

Mr. Rowe: No, I don't sell them the paper.

Mr. Gardiner: You may get someone after you because of this speech.

Mr. Rowe: I am not at all disturbed, nor am I ashamed to help make something that brings a lot of money into this country. Not at all. I appreciate the humorous remarks of my hon. friends, but I am still interested in agriculture. I may have too much of agriculture along with the other interests I have at the present time. I have farmed probably as long as the average member in the house, and I still farm a lot of land. I am a little interested in the beef cattle business. I have a hundred head of pure-bred Shorthorn cattle if any of you wish to buy them. I am now doing a little advertising. I am not going to be sidetracked—somebody said "Sell them to Great Britain." In all seriousness, Mr. Speaker, I do say that we should consider trying to hold this sterling market. Contracts were made with the countries that I have mentioned. These countries were buying Britain's heavy material. Forty-six trading contracts were made for bacon, eggs, cheese, grain, apples, fish, lumber, pit props, newsprint and other

materials. We use enormous quantities of heavy steel. We use a lot of coal. Before the war we bought a million and a half tons of Welsh coal. We are now buying about 50,000 tons. We use a lot of chemicals and other things that Britain could supply. These agreements that were made with Poland, Hungary, Russia, Sweden and the Netherlands are all agreements for the very things that we want to sell; and they are taking in place of them a lot of things that we want to buy.

I notice in the press, in red headlines, the Minister of Agriculture is reported as having said that he is very confident about the British market. He said that Britain would remain one of Canada's major markets until 1952.

Mr. Lennard: What date is that?

Mr. Rowe: The press clipping is dated February 12, 1950. It said that Britain will remain one of Canada's major markets until 1952 and then she will immediately become one of the dominion's best markets. If he believes it is going to be good until 1950 and then it is going to be one of our best markets, I do not understand it. I can hardly understand why that is. I should like to refer again to the Toronto *Star*, which I know has never misquoted the Minister of Agriculture (Mr. Gardiner). They report that the minister said that the United Kingdom will be back in two years as strong as ever. You will notice that that is just about the time the Marshall aid is finished, the plan that has helped us to sell what we are selling now. It will be finished in 1952 but that is the time the Minister of Agriculture says they are going to bounce back. I hope that he is correct.

Mr. Towers of the Bank of Canada says that the future is very gloomy, that it will take a long steady pull. He says the over-all picture is very gloomy indeed and that so long as these customers have difficulty in securing enough dollars to pay for their requirements in foodstuffs and raw materials they will certainly give low priority to fully manufactured goods. However, he said that there was a silver lining, that the people of the world would eventually be brought back to a more even keel, through the functioning of multilateral trading.

Then the Minister of Finance (Mr. Abbott) said that the hon. member for Lake Centre (Mr. Diefenbaker) had suggested that a conference should be held but he was very much concerned about what the agenda would be. If you want the hon. member for Lake Centre and myself to write an agenda we probably could do it, but I do not think you should expect the hon. member for Lake Centre to make up the agenda for a conference of members of the British commonwealth. We believe he is one of the most brilliant members in the house but we have never felt that he should be asked to lay out an agenda for an all-empire conference in one afternoon. At least you should give him time. He says that he would never agree to any such conference because he believes it would mean tariffs.

Mr. Abbott: I said that if it were to do what was done between 1930 and 1935 I would never agree to it.

Mr. Rowe: Apparently the minister cannot conceive of a conference being suggested by this side unless it was going to bring in the question of tariffs in some way. I can assure you that that has no relationship with this issue. I am glad to get your nod of approval. You believe me this time.

You say that to have a full conference is not desirable, but I do not know what other kind of conference would be desirable. When you get into such trouble as we are in at the present time, that is what must be done. I have every respect for the Minister of Finance; I have a great deal of respect for the Minister of Agriculture because we farmers must stick together the best we can; I have respect for the minister of external affairs. As the hon. member for Lake Centre said this afternoon, these pilgrimages are travelling all over the world and are creating nice public relationships.

Mr. Abbott: Attending conferences.

Mr. Rowe: They are flying here and there. We love to hear them say how well they were received. I think it was grand the other day when the minister of external affairs said that they banged the gavel and said, "Come on with the tea." I wish I had been there. However, these things do not buy shoes for the baby and they do not give men jobs. My friend says that he sold some tea, but I tell you that I do not think it is anything to be proud of if we cannot make money in any way except through what we drink.

I urge the government to really take this matter into serious consideration. I am not saying anything against the members of the cabinet, because they are respected men. Despite the fact that I do not agree with the Prime Minister (Mr. St. Laurent) in matters of policy, I am satisfied that when he sits down at the table with representatives of the countries of the commonwealth he will represent Canada with dignity and decorum and ability. While he is over there, even we in the opposition will consider that he is our

Prime Minister as well as your Prime Minister, as you claim he is because he happens to be the leader of your party.

Mr. Stewart (Yorkton): Not if this motion carries.

Mr. Rowe: You be a little careful, he might not be Prime Minister if this does not carry. Whether he is going to be Prime Minister or whether you are going to be Prime Minister, let me say: Do not sell the British commonwealth short. Any businessman who is selling the British commonwealth short today should take a look at the record.

Without discounting our contact with and our promotion of sales to the great republic to the south, we should still not sell the British commonwealth short. We will be prouder members of the United Nations, we will be more important associates of the United States, if we develop closer trade relationships with Britain. Then our farmers will be able to pay for their combines and tractors, they will be able to break up new fields. We will be able to develop our great resources so that if we ever have to strike again in our own defence we will be rich in our ability to produce agriculturally and industrially.

It is not only farm products that go to these countries. In Toronto they are building a complete new mill to be set up in India. In Montreal a complete textile mill is being built. I understand that a further 2,000 or 3,000 men would have been employed in Montreal in one plant if they had been able to sell an order for heavy material in the Far East. While they lost that order it indicates that can be done. I know there are other people besides the farmers in this country. My heart aches for the man who cannot get a job. I fear and shudder to think of the return of the days when men will be standing at factory gates waiting for jobs, good men, intelligent men, honest men.

If there is anything we can do, we should do it. I think the Minister of Finance will admit that it would not do any harm. Surely he is not so careful about the treasury of Canada especially when we have groups flying 26,000 or 27,000 miles. The cost of this would not be so great. If you think it would not do any harm, we suggest that it might do some good. If it will do some good, if it will help the farmers of Canada, if it will help the factories of this country to sell articles in the sterling areas, if it will give work to men, then I believe it is the thing to do.

Great Britain has consistently given us great favourable trade balances for three-quarters of a century and I urge the government not to lightly pass that off. If I have the privilege of being in this house much longer I hope I shall never hear again what we heard in the thirties, that we must not provoke the United States. They do not like us any better when we take that attitude. They expect us to mind our own business. They expect us to be strong. They expect us to be grown up. Canada is the greatest producing nation in the world for its population. We are a proud people and we never have provoked the United States of America. We live on a friendly basis beside them and we have great trade relationships with them.

But they have cut our products off overnight. That was not done in any spirit of antagonism or bitterness; it was done because they had to save their own markets. Only two weeks ago it was stated in congress that when a commodity became surplus it would not be allowed into the country. I would like to know what was written in the Geneva agreement which is in effect now before it has even been ratified by parliament. I would like to know what is in that agreement that says, when the man from Texas or Oklahoma states he has more beef or bacon than he knows what to do with: "Keep your steers down in Texas because we are going to buy from the Canadians. They have been very nice to us and have never provoked us so you can keep your cattle on the ranch because we are going to buy from the boys in Canada". Stop and think about it, Mr. Speaker. It has happened now two or three times, and it is in no spirit of antagonism that I suggest it may happen again. It is just because the United States minds its own economic business. They want and expect us to be economically strong, and they believe we are capable of minding our business.

Mr. J. W. Noseworthy (York South): Mr. Speaker, the question before the house this afternoon is one of great importance to Canada. I certainly think it is too important to be brushed aside in the manner in which the Minister of Finance (Mr. Abbott) has just treated the entire question. In a recent poll of public opinion it was shown that there is no other public question today with which our people are so much concerned as that of the loss of our markets. That is not surprising because over the years governments and political parties have been dinning into the ears of our people the importance of our export markets. The reason why our people place so much importance on the loss of them today is that they are associated in their minds with employment. There is a fear in Canada today that their loss will simply be the forerunner of unemployment and another depression such as we experienced in the thirties.

The minister has rejected the amendment. He has suggested that, although there may be no harm, certainly no good could come out of the calling of another conference as recommended by the amendment. He informed us that the government is already in possession of all the information that could possibly be obtained in such a meeting. In other words, he has told us that such a conference would be a mere waste of time. Then he suggested that possibly the Conservatives would be formulating the policy of that conference, and he asked the mover of the amendment to tell him what the agenda for it would be. He suggested he would not want to attend another conference to deal with subjects such as were dealt with in the thirties. Surely there is a difference. I am rather surprised that the minister should even suggest that the Conservatives would have any voice in determining the agenda. Can you imagine the great Liberal government of today asking the handful of Conservatives on this side of the house to suggest the agenda for a conference initiated by the government? Surely the government would be in a position, if it called such a meeting, to determine exactly what subjects should be put before it for discussion.

Of course the minister also forgets that since 1930 the Conservative party has become the Progressive Conservative party, and it is not beyond the realm of possibility that even concerning the matter of foreign conferences the Conservatives may have become much more progressive than they were in the dark days of the depression. Unless the minister can suggest some other alternative for meeting the problem, then I am prepared to support the amendment even at the risk of the Conservatives dictating to the Liberals what the nature of the conference should be.

Our problem today is one of finding markets for our goods. The minister has told us clearly that there are only certain ways in which we can hope to sell our goods to other countries. We must take their goods in return. If, as is the case in many countries which need our surplus goods today, they just have not the goods to give us in return, then we must find other means whereby they can pay us for our products in some way. The export of our surplus products is so essential to the economy of Canada that I submit the house should not allow the motion to go into supply to pass until the government show us that they have something to put before the house that, in their opinion, is a solution to the problem, if the amendment is not the answer to it.

The minister says that we can export our goods by lending dollars to these countries, but he told us that our supply of dollars is not sufficient to warrant our doing so. He told us we could borrow from the United States and lend the money to the countries wanting to purchase our goods, but he suggests that is not the solution and that no one wants to do so. He suggested that a third possibility was the reduction of consumption within our own country in order to accumulate money that we could lend. He suggested that the reduction of consumption in Canada would put us in a better position to lend to those countries that want to buy our goods, but he did not suggest that the government would even entertain the idea of advancing that as a solution to the problem.

I want to say to the minister that in my opinion the Canadian public are far out in front of the government in this respect. It is no credit to us as a nation, and I am quite sure the Canadian people do not consider it creditable, that we should attempt to consume all of our own production that we possibly can while millions of people in other parts of the world are in want, and when at the same time we have surpluses of goods that we ourselves cannot consume and which we cannot sell to them. It might not be as impossible, as the minister suggests, to institute a modified program of austerity in this country whereby we can provide these other countries that need our surpluses with the means to purchase them. I suggested that if the government are not prepared to accept the amendment they should come forward with some other concrete policy to show us that they are taking measures to meet the problem facing the country today.

Mr. Solon E. Low (Peace River): Mr. Speaker, I feel that the matter now up for discussion is of such importance to the future of Canada and the well-being of the Canadian people that I should say just a few things in connection with it. I believe the hon. member for Lake Centre (Mr. Diefenbaker) should be congratulated on bringing this most important question of Canada's trade before the house today. Before I conclude I shall have a brief word to say on the amendment the hon. member moved; but, Mr. Speaker, I have been tremendously surprised at the jaunty attitude this government has displayed towards this most important question facing Canada today, the question of our trade.

My colleague from Acadia (Mr. Quelch) mentioned that step by step this situation has been developing over a period of years. It is nothing new that has suddenly come to our attention. Our trade predicament today has grown up over so many years that if people in administrative positions had been watching the situation and had been free and willing

to take independent action, facing the facts, the present situation could have been alleviated and our predicament could have been avoided. Back in 1946 the governor of the Bank of Canada, Mr. Graham Towers, had this to say in his report dated February 8 of that year:

> Looking to the future, however, there is no reason for complacency. Most of our real problems of post-war adjustment are still ahead. The backlog of demand will not be large in relation to productive capacity when industry has been fully reconverted and inventories built up to normal levels. When the time lag involved in demobilization is over, government expenditures will fall rapidly. Nor will our foreign lending to finance the purchase of Canadian goods remain indefinitely at the present level. The prevailing optimism on the North American continent is dangerous if it diverts attention from the problems which have to be faced.

That is the end of the warning which was given by the governor of the Bank of Canada away back in 1946. That warning has become a prophecy; and the last part of Mr. Towers' statement has been vindicated in the action and lack of action by the government opposite. The Liberal government has continued to consistently disregard the warnings not only of Mr. Towers but of others who saw the situation developing. We do not have to start in 1946; we can go back further than that and point out to this government definite actions they took which have had the cumulative effect of precipitating the present bad trade situation.

With respect to the proposal of the hon. member for Lake Centre, the Minister of Finance (Mr. Abbott) says he does not want to go to a conference unless he knows exactly what the conference is going to do. The minister was not a member of the government back in 1944, but he was on the government side of the house. At that time, when the conference was called at Bretton Woods, New Hampshire, did the government say they would not take part in that conference without knowing exactly what it was going to do? I say to you, Mr. Speaker, that they jumped into that conference; they not only went down completely ignorant of what it was going to do but came back completely befuddled and confused as to what it had done. If anyone wants proof of that statement all that is necessary is to go back to 1945 and read the debates that took place in this house in connection with the Bretton Woods proposal.

So I say that while the present minister was not there, he must assume some responsibility for what was done; and let me say just one other thing about this business of not knowing what a conference is going to do. Following the war Canadian influence throughout the world was great. There has never been a time when Canada's word, Canada's counsel or Canada's warning has meant so much. At that time the people of the world would have been likely to heed what Canada said. Well, if at that time Canada had used her influence to see to it that a clause something like this was written into the Bretton Woods agreement: "The creditor nations agree that it is their obligation to accept goods and services in payment for the goods and services they export, and that this obligation will be continuously recognized and observed", I feel satisfied that something of the kind would have been included. But instead of using our influence in that way we plunged in without full recognition of what that agreement was going to do to us and how impossible it would be for the convertibility of currencies to take care of the trade situation which was developing, since the United States insisted upon following the program she had been following for quite a number of years, a program which they think must have attached to it a favourable balance of trade for the U.S.A. every year.

Well, sir, everyone knows that if the United States is not going to buy enough goods in the markets of the world to provide the other nations with dollars, then those other nations cannot buy from the United States, or from Canada. That was patently clear at the time, so I am going to ask the minister why the Canadian delegation went to Bretton Woods without knowing a single thing about what the proposals would be, and why it came away without any definite idea of what it had done. I do not see why in the world he should be afraid of a conference such as that suggested by the hon. member for Lake Centre. I would not want to go to a conference without knowing something of what was proposed, of course; but getting a definite idea of what the agenda might be would not be out of the question. I believe if the government showed some inclination to sit down and discuss this whole thing honestly and straightforwardly with all parties in this house, an acceptable agenda could be drafted; and I am satisfied that such an agenda could be made also acceptable to the other members of the commonwealth.

The minister says the Geneva agreements have been of the greatest benefit to Canada; and as an example he cited the increase in our trade with the United States which has resulted from certain tariff concessions. That is perhaps one of the good results; but I will say the minister certainly has a fetish on Geneva, and I do not think he can possibly

justify the weakness in the non-discrimination clause. The great weakness in the non-discrimination feature of the Geneva agreements is that it does not permit a country like Canada to choose her source of supply. Nor does it permit any other country that is a party to it to choose its source of supply. I do not believe it is right in a world which is now crying for fair dealing in trade. As a matter of fact, I thought that the Minister of Finance would be the last person in Canada to try to defend the non-discrimination features of the Geneva agreements, because he was caught in the meshes of it in 1947. Not only that, but he put Canada in a most ridiculous position, by making it impossible for Canadians to buy their own production without paying a tax on it, simply to placate certain interests in the United States who insisted on the Geneva non-discrimination clause.

The Minister of Finance should be the last man to defend that clause, because it prohibited Canadians from buying green vegetables and tomatoes in the fall of 1947, since the minister had prohibited their entry from the United States, in order to protect our dwindling supply of United States dollars. The Canadian people have not forgotten that. They are the people who are demanding that the minister justify that with something more than the assertion that we benefited greatly by having tariff reductions. Those tariff reductions could have been made without the non-discrimination clause. I say to you, Mr. Speaker, that any country in this world that wants to be fair and just in its trade relationship will not insist upon a non-discrimination clause. Such a country will first see what sort of reductions can be made in the tariffs without the necessity of such a clause. There would be no need for the non-discrimination clause, if the United States and other creditor nations were to fully recognize their responsibilities in a world in which trade is so seriously unbalanced as ours. This unbalance arises mainly from the serious unbalance in industrial capacity.

I do feel that the United States is not bound to follow the policy which she has been following for many years, that is a policy of economic conquest. Surely it would be possible for Canada, with her influence, to stand up and say that we will enter into negotiations to make trade easier and to help remove the restrictions, provided you will not insist upon this diabolical non-discrimination clause. The minister mentioned Canadian cattle going to the United States. He suggested that the member for Acadia (Mr. Quelch) was perhaps wrong in his assumption, because of the fact that the United States was ready to take in many of the cattle from his own constituency. Let me say that the United States ought to be the last to put an embargo against the entry of Canadian cattle into that country. It is a creditor nation and has a favourable balance of trade, which we do not have. I do not take what the minister said too seriously.

Mr. Abbott: Discrimination can work both ways.

Mr. Low: The sort of discrimination the minister suggests is the same sort as Pat said he was going to exercise against the railroad. He said he was going to buy a return ticket, and he was not going back. It is discrimination to balance trade, of course, not unbalance it. The Minister of Finance stated that if we were to accept sterling it is likely we would have to reduce consumption within Canada. I do not take the same position as the member for York South (Mr. Noseworthy). I should like to draw to the attention of this house the surpluses that are here in reality, or that could be here, but for the policies of this government—policies of taxation and restriction that discourage production.

I should like to read briefly from what the Minister of Agriculture said in a speech before the Canadian chamber of commerce in London in 1948.

> It is difficult for us to understand why anyone should expect us to be other than disappointed with the 1949 contracts. They provide for 160 million pounds of bacon, for 50 million pounds of cheese, and no cattle or beef.

A little further along, he says:

> There are no dollars available in the United Kingdom with which to purchase Canadian apples. Partly because of this we have financed the pulling out of 240,000 apple trees in Nova Scotia. There are no dollars available with which to purchase Canadian fish.

I suppose if it were possible to pull out the fish beds, the government would do that, and pay for it. It is a policy of discouraging and restricting production. I say that when you do that you are making it impossible for the Canadian people to help a world that is sadly lacking in food.

It is important for us to keep in mind that the minister went over to England, and negotiated with the British people, not for 160 million pounds of bacon. At another point in his speech the minister said:

> All of our discussions on food bulk contracts were proceeding satisfactorily until difficulties arose in adjusting the relationship between dollars and sterling. We were aiming at being able to provide the United Kingdom with 350 million pounds of bacon, 125 million pounds of cheese, 75 million dozens of eggs and having 400,000 head of cattle which we could dispose of either to the United States or the United Kingdom.

Instead of that, we had to sign a contract for 160 million pounds of bacon and 50 million pounds of cheese. There is no question about it, if the market had been provided under an agreement, the Canadian farmers would have put up the 350 million pounds of bacon. They would have produced to the utmost of their capabilities if the market had been there, and if taxation and other government policies had not been imposed upon them which restricted that production. I say to you, Mr. Speaker, that these amounts of food, which have gone unproduced, could be looked upon as at least potential surpluses of goods that would have been available to send to these other countries, making it unnecessary to do what the minister said, reduce consumption. In the light of what has happened, I believe that is stupid in the extreme. I would say that no pound of food should go unproduced, so long as there is a need for it or a market for it anywhere in the world. No man should go unemployed for the lack of producing those things, as long as there is a willingness on the part of other people to buy and consume those things.

There is no question but what we could accept sterling, and finance it internally until such time as that blocked or non-convertible sterling could be traded around the sterling area for goods that we could bring back to this country. I have not been convinced by any argument to the contrary thus far. I would refer the Minister of Agriculture to one other thing. At the C.F.A. conference which took place in Niagara last month, it was brought to the attention of the delegates that poultry production had been reduced by 8 to 12 per cent, because of the failure to keep our markets with Britain. That is a serious reduction. It represents an amount of poultry and egg production that could well be available for trading if it had not been restricted by the fear that there would be no market. When I say, Mr. Speaker, that we cannot just look at the situation as it is, but must look at it as it could be under the proper inducements, you will see what I mean.

Before I close, there is one other thing I should like to mention. In common with the member for York South (Mr. Noseworthy) and others who have spoken, I believe that if the government feels this proposed conference is not the answer to our trading problem, if it does not hold out any hope for the success of such conference, the government should bring forward a program that will do something. Until that is done, my followers in this house and myself can do nothing else but support the motion put before us by the member for Lake Centre (Mr. Diefenbaker).

[Mr. Low.]

Mr. E. D. Fulton (Kamloops): In supporting this amendment, Mr. Speaker, which has been moved by the hon. member for Lake Centre (Mr. Diefenbaker), I must join with those who have preceded me in saying that they are unable to understand the reasoning and the attitude of the Minister of Finance (Mr. Abbott), in his apparently ill considered and certainly very quick dismissal of the idea of holding at this time a commonwealth conference to discuss trade and related matters.

As I took note of the minister's remarks, he said in effect that he could not see that any good purpose would be served at the present time by having more conferences. It seems to me that the thing we should bear in mind is that, so far, we have not had since 1932 a trade conference of the type envisaged. We have not had a full-scale commonwealth trade conference since then. It is true that the Secretary of State for External Affairs (Mr. Pearson), as he told us in his report recently on his trip to southeast Asia, did discuss or talk about trade matters with the other representatives there; but the fact is that that conference was not called to deal with trade matters. There were no trade experts there. Certainly the impression given was that, so far as trade was discussed, it was an informal discussion and trade was discussed as a side issue. It certainly was not the main subject of the conference. Indeed, from what the minister told us in his report, it became obvious that not only with regard to trade but even with regard to the matters that they did meet to discuss, they had neither intended nor apparently expected to reach agreement. Indeed, he told us that it was rather nice to sit down at the conference table and find out how far apart the different views were without actually coming to blows because of those differences; whether it was merely because the countries concerned were commonwealth countries or whether the tea had something to do with it, the minister did not tell us; but it seemed to me to be an approach to a conference that was almost certain to lead to negative results.

Before coming to the subject matter of the resolution itself, I should like to refer to one other point raised by the leader of the C.C.F. party in his remarks when he said, as I understood him, that he agreed in principle with the amendment but that he would not be able to support it unless it was clear that it was not necessarily a motion in support of the building up of a tariff structure. That matter has been dealt with by the hon. member for Dufferin-Simcoe (Mr. Rowe) in his remarks following the hon. member for Rosetown-Biggar (Mr. Coldwell). But if further assurance is necessary, then as far as I can give

it—and I can speak for myself, at any rate—I can say that I would not support the motion or speak in support of it if I understood that such was its intent. But I do not understand that to be its intent. I understand it to be a motion advocating the summoning of a conference to discuss ways and means of eliminating trade barriers between the commonwealth countries, and as nothing more nor less than that. In that respect it is the very opposite of a high-tariff conference.

It seems to me that the motion calling for a conference is justified by the fact that the two thoughts uppermost in the minds of the Canadian people at the present time are, first, the increasing unemployment figures and, second, the loss of markets and the declining farm prices with which this country is faced. It was said recently, and I think it is certainly true, that it is not advisable nor desirable, particularly in the House of Commons, to emphasize fears, doubts and dismay as to the future. That is not my purpose in mentioning these two facts of unemployment and declining trade; but certainly those two problems do exist, and, in the minds of our people, they are large.

We shall not solve those problems unless we consider them, discuss them and meet them fairly and squarely. If we do that, Mr. Speaker, I for my part believe that we in Canada can solve our problems. I believe that those problems will disappear if we adopt the policies which can build this country into a great and prosperous trading nation, the senior partner in the commonwealth, the friend and ally of the United States. But as firmly as I believe that Canada can be made into that type of country, I believe that if we drift, if we allow this present tendency to continue, not only shall we not achieve that ambition, but we are in danger of facing conditions which are much worse than they are today.

In dealing with these two problems of unemployment and falling farm prices, may I say that it seems to me they are both the result of the same fact, namely, that we are losing our markets, particularly those in the commonwealth and sterling countries. In the same way they result from a remarkable unbalance in the Canadian economy, in the sense that we produce, particularly in the field of agriculture, far more than we can consume at home; and because of that fact we are dependent, as perhaps no other country is, to such a large extent upon overseas markets for what we produce. Our history up to the present has been one of constantly recurring surpluses in that those markets slip away for one reason or another, and we are left with large quantities of surpluses here at home for which we can find no sale.

I want to discuss the situation both generally under the heading of this amendment before the house and particularly with reference to a problem which is vital to the area from which I come, namely, the problem facing our apple growers. There we have again, as we had in the 1930's and several times prior to that, a condition of recurring surpluses resulting entirely from the sudden loss of a market. As you know, Mr. Speaker, an apple grower's program is one taking from seven to twelve years to come to maturity. The marketing program of the orchardist cannot be changed overnight, because his tree takes some seven to eight years to come into bearing at all, and at least twelve years before it is bearing fully. He is therefore not in the happy position of some other producers who can change their program overnight. When his markets are lost, there is nothing he can do about it. That is the situation facing our apple growers in this country, particularly those in British Columbia today.

It is with that in mind that I want to discuss this resolution suggesting that we have a conference of commonwealth countries to discuss our trade problems, because our great market for apples has always been the United Kingdom. Unless we can restore that market, we are not going to solve the problem facing our particular growers.

Mr. Speaker: We are expecting a message from the Senate at any moment.

Mr. Fulton: Perhaps for the purpose of the debate I might be allowed to call it six o'clock.

Some hon. Members: No.

Mr. Speaker: I do not think it would be regular to call it six o'clock, because we shall return here after the members have gone to the Senate. May I ask the hon. member to allow his speech to be interrupted at the present time.

Mr. Fulton: Gladly.

THE ROYAL ASSENT

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

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

Accordingly the house went up to the Senate chamber.

Alberta Natural Gas Company

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give in His Majesty's name the royal assent to the following bill:

An act to amend the Unemployment Insurance Act, 1940.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

Mr. Ralph Maybank (Winnipeg South Centre) moved the second reading of Bill No. 7, to incorporate Alberta Natural Gas Company.

Some hon. Members: Explain.

Mr. Maybank: Mr. Speaker, there is very little to say, as I think every hon. member knows about this bill. This bill is the same as the one that was introduced last session which was the subject of considerable discussion. I think all that is necessary is to remind the house that it is simply an application for a charter to do business; it is no more than that.

The only difference in the bill this year is in the names of the applicants; otherwise its terms are the same as all the other bills which have been passed by this house. The house will remember that the main objection to the bill before was to a clause which would permit the company, when incorporated, to apply for permission to build a pipe line in or outside Canada. That same right has been given to other companies which have come before the house.

There was a considerable amount of talk in connection with the counterpart to this bill and I fancy that the house is familiar with all the arguments brought forward at the last session. If I spoke further I would only be using up the time for private bills unnecessarily and I think the opponents of the bill will want to use up that time themselves. With that explanation of the matter I might as well stop now.

Mr. Smith (Calgary West): Where are you going to build it?

Mr. Maybank: I do not know.

Mr. Smith (Calgary West): You do know, don't you?

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I should like to say a word or two on this bill. As I said last year, while there are eighteen members from British Columbia no one was prepared to sponsor a bill to permit the building of a pipe line unless it was built over an all-Canadian route. It would appear tonight that that was the unanimous feeling of those members. I am not familiar with the rules of the house, except those that I break. This is not a political bill, yet it was not possible to secure a British Columbia member to sponsor it.

It was only by the indulgence of some of us who believe in an all-Canadian route that the house waited for the hon. member to move the second reading. I am a rather junior member of the house, having been here only since 1940, but it is the first time in my experience that we have had to wait for a sponsor of a bill to make the motion for second reading.

They had to go across this great country of Canada to find a sponsor for this bill, and finally they settled on one from the middle province. I have a great deal of admiration for Manitoba because my father and mother were married there. That was the best thing that ever happened to Manitoba. Any province that can inspire two people to bring into the world the great member for Fraser Valley must have something within its boundaries.

An hon. Member: Cold weather.

Mr. Cruickshank: A few remarks are being made by some of my Manitoba associates. As I said before, while there are eighteen members from British Columbia, not one would sponsor this particular bill, bighearted as we are out there. We have often bled for the maritimes and we have contributed to central Canada. Tonight out of our bigheartedness we waited for the bill to be called. I was almost going to sponsor it myself because I felt it should not be lost in the wilderness.

My attitude to the bill is the same as it was last year. I have no hesitation in so stating and no apology to offer. At the last session some of us were accused of staging a filibuster on this measure. Personally I do not think we did, but nevertheless, together with the hon. member for Macleod (Mr. Hansell), may I say that I have no apology to offer for staging a filibuster if it is necessary in order to secure the best results for my riding and my province and if it is in the best economic interests of Canada. It is one of the few weapons a private member has when the interests of his riding and his province are involved.

Some remarks have been made, although belatedly, by the sponsor of the bill. I can appreciate that they hesitated to put before the house what they thought was right. If I

were the sponsor of a measure which was not in the best interests of western Canada, or of the majority of the people of the country as a whole, I too would hesitate before appearing to introduce the bill to the house. I want to make myself perfectly clear. I was criticized by some at the last session when I took the same stand that I am taking tonight. I am speaking tonight as the member for the constituency of Fraser Valley, and for no other riding in the province of British Columbia. Nevertheless I think I have the same right as any other member from that province to speak on its behalf. I want to make it clear I am speaking tonight in the interests of my own riding, and I say without fear of contradiction from anyone that I have the full support of each and every individual in the Fraser valley in the stand I am taking, irrespective of party, creed or race. I want to make that clear because it has been suggested that probably I took too much upon myself in speaking for the province of British Columbia. At the same time, I think I have the right to speak on behalf of that province more than any other member from that section of the country because I represent the finest part of the province.

Our attitude is not that of people who are opposed to any particular company. So far as I know, those of us who opposed the passage of this measure last year adopt the same attitude this year. I think I am speaking for the people of the province when I say we are prepared to withdraw our opposition, and certainly I am, the minute that the company, as the hon. member for Calgary West (Mr. Smith) said last year, insert some five words in the charter of incorporation, that it will be an all-Canadian route. We who are opposing the bill believe that we have a great future in Canada, and particularly in western Canada. In order to fulfil that future we believe we must develop the natural resources of our country.

At this point I should like to say to my friends of the maritimes, who in many cases have not had all they should have secured from the rest of Canada, that we in the provinces of British Columbia and Alberta have done our share to see that subsidies were paid to them. We have endeavoured to see that justice was done to the maritimes. I should also like to point out to the provinces of Quebec and Ontario that they have gained their great place in the nation through the efforts and the wealth of western Canada. We hear much of the St. Lawrence waterway scheme. I should like to say to the provinces of Ontario and Quebec that the only way you can secure the fulfilment of the St. Lawrence waterway scheme is through the support of the people of the west, and Alberta and British Columbia in particular.

Mr. Fulford: And the co-operation of the United States.

Mr. Cruickshank: I am quite prepared to talk on Canada but Harry Truman will have to look after himself. We are prepared to do our share as we have in the past. I wonder who paid for the Welland canal? We paid our share. Why? Because it developed Canada as a whole, not just Ontario. We in Alberta and British Columbia paid our share of the cost, and we are again prepared to pay our share of the cost of the development of the St. Lawrence waterway.

I want to appeal to my friends from Ontario and Quebec. When we are prepared, as we have been in the past, to do our share to develop central Canada, is it not fair that you in turn should do your part to assist us to develop the provinces of Alberta and British Columbia? To hon. members from the maritimes may I repeat that we are aware of the injustices that were done to you since confederation. I defy any member from the maritimes to say that at any time any member from the provinces of Alberta and British Columbia has done anything but support your just claims for subsidies. I am appealing particularly to the new province of Newfoundland, the tenth province, which by its entry into confederation has completed our dominion. You should realize more than any other province what it means to secure justice within your own sphere. That is all we are asking for, Mr. Speaker. We are not interested in any particular company. We are not asking for any particular subsidy or assistance, but we are asking that the resources of Canada be developed within the country for the benefit of Canadians as a whole.

Naturally I am interested in my own riding just as every other hon. member is in his. I want to digress for a minute. There are 262 members in the House of Commons, all of whom are fine men, and all of whom are sincere in endeavouring to do their duty to the best of their ability on behalf of their particular ridings and the country as a whole. There may be one exception so we will make it 261. I want them to look at things as I look at them, and not with any intention of talking against time, because I have no such intention. I want them to look at the welfare of Canada as a whole, and I particularly want them to remember that the prosperity of western Canada means their own prosperity. Too often we have had sectionalism; too often we have had one

district pulling against another, one province against another. That is not in the best interests of Canada. I maintain that this bill is designed to disrupt the economy of Canada as no other bill ever brought before us was designed to do.

For a few years, as you know, Alberta was not in the best of circumstances financially. Fortunately for them this liquid gold has come flowing from the earth and we are very glad it has, because it put Alberta in a better position than it has ever been in. It is now able to pay its way, and my information is that very shortly the provincial debt will be liquidated. Paying taxes in British Columbia, as I do, I am not so sure when we will be able to liquidate our debt; but if the action is taken that I and those who are with me recommend, I believe we will soon be in the position that Alberta is in now.

At the present time the best prospects for liquid gold on the North American continent are within the boundaries of Alberta. I am also informed that prospects are equally bright in Saskatchewan. When I say that, I am speaking only of oil and gas, and I am referring to the kind of gas we burn and use, not the kind we hear of in that province at the present time. We in the Fraser valley are of one mind on this matter. I hope during the next four years I may have the same united support, coming from all parties, as I have had on this issue. As I said before, there are not eighteen people in British Columbia who believe in this United States route. They could not even get a sponsor for this bill within our province, because not a person there believes in the southern route.

When I make that statement it is supported by the attorney general of my province. After all, you know, a federal member may be accused of speaking purely in the interests of his own riding. I have not authority to speak for the provincial government. The only person who can do that is a representative of that government. In our province we had a competition for the leadership of the party, as I believe other parties have had competitions; and the man who was defeated for the leadership became the attorney general. I do not know about other provinces, but in British Columbia the attorney general is a very important man; and I want to quote briefly what he has said. I do not want to delay things; I should like this matter to be dealt with one way or the other. I am referring now to the Calgary *Herald*. I do not subscribe to that newspaper, nor do I know what kind of newspaper it is. I see the name "Calgary", however, which reminds me that I went to the Grey Cup finals last year and lost a little money on the Stampeders. Under date of February 7 this newspaper says:

B.C. declared anxious to get Alberta gas
Attorney general presents government view to hearing

Hon. Gordon Wismer, attorney general of British Columbia, said his government was anxious that natural gas be made available to the people of British Columbia "if and when the government of Alberta determines that in the interests of the people of Alberta a permit for exportation can properly be granted."

Those are the views of the attorney general of British Columbia, the province from which I come; and to the best of my ability I am trying to give the feelings of that province with respect to the export of gas.

He made the statement this morning when presenting a brief on behalf of the British Columbia government to the petroleum and natural gas conservation board of Alberta, presently hearing the application of Westcoast Transmission Company Ltd. for a licence to export gas from Alberta.

Through you, Mr. Speaker, I want to bring this to the attention of hon. members from the central provinces and the maritimes, whom we have supported at all times in their demands for fair play. I ask them to pay particular attention to the remainder of this quotation.

Mr. Wismer said the British Columbia government "strongly supported the proposal that such a line should be built from northern Alberta into and through British Columbia and thence, if sufficient gas is available, to the Pacific northwest states of the United States.

I am sure hon. members will appreciate the significance of that statement, representing the views of British Columbia, urging that this line be built within Canada to serve our own people and in particular those of my province. We have reason to believe that in northern British Columbia we have oil and gas deposits equal to those of Alberta. We also believe there are deposits in northern Alberta equal to or greater than those already developed in that province. The only way these deposits can be developed is by providing an outlet. For that reason I think I am justified in reading a little further from the remarks of the attorney general of British Columbia, as they appear in the Calgary *Albertan* of February 8:

"If there is an exportable surplus of gas in Alberta the province of British Columbia would like to see Canadian requirements get priority over export to the United States," Hon. Gordon Wismer, attorney general for British Columbia, told the Alberta petroleum and natural gas conservation board Tuesday.

Mr. Wismer was welcomed by the Hon. Lucien Maynard, attorney general for Alberta. Said Mr. Maynard: "We are not so callous as to be unconcerned about the misfortunes of the past few weeks in British Columbia or a possible repetition of disastrous floods. Whatever remarks or suggestions

Mr. Wismer has to make before this board, I am sure will receive the most careful consideration by the board, the people of this province, and the government."

Mr. Wismer's suggestion was this: "We are and have been strongly supporting the proposal that such a line (gas export) should be built from northern Alberta into and through British Columbia, and thence, if sufficient gas is available, to the Pacific northwest states of the United States of America.

That is just part of it. There has been some suggestion that we were opposed to the export of gas to the United States. Those of us who are opposing this bill are definitely of the opposite opinion. We believe that the surplus must be exported to the United States in order to make the building of the line possible. The only stand that we take is that the export of gas must be made from the Vancouver end of the line, instead of having the end of the line come into Vancouver from the United States.

I have here a copy of an advertisement that appeared in the Calgary press last year. I shall not read it in detail because one of the members from Calgary read it. This advertisement was placed in the paper by the company now applying for a charter. It indicates that this company would like to take the gas through the United States, and if there is any left over, providing the United States permits it, that amount will be brought back into Vancouver. I say without fear of contradiction, Mr. Speaker, that Vancouver is the fastest growing city in Canada. The city of Vancouver and the lower mainland of the Fraser valley contain about 58 per cent of the population of the province of British Columbia. One company is proposing to build an all-Canadian route, although it is definitely opposed by the company now applying for a charter. The all-Canadian route has been termed feasible by the largest firm of engineers in that line of work in the United States. This company is prepared to put that line through and deliver gas in 1952 to the city of Vancouver. This route would serve the cities of Vernon, Kamloops, Penticton, Kelowna, and have a side line to the city of Trail. We hear a good deal about this city of Trail, and I am not surprised at that. As we heard over the C.B.C. on Sunday night, Trail is one of the best developed cities in the Dominion of Canada.

While I did not see this event, owing to the fact that I was sick in bed, it was a sad sight to hear of the people of my riding lining up for two sacks of coal to which they were entitled. Surely we are entitled to have this cheaper fuel delivered to us, as the company is willing and prepared to do. One company is willing to deliver gas which may be used as a fuel for commercial or domestic purposes, but the other company desires a charter to deliver it through the United States, and thence back into Canada. I am well aware of the fact that copies of these private bills are not distributed to many homes in the province of British Columbia. It surprised me, Mr. Speaker, that in my riding, as well as the other ridings in the dominion, copies of *Hansard* are read by so many people. So that the people of my own riding, and I hope the people of other ridings within the province of British Columbia, will be under no misapprehension as to those who desire to develop the resources of Canada not for Canadians but for material gain, I propose to name those who are back of this company. The lust for gold equals the lust for power. I have never been able to understand why some people who are multimillionaires have a greater lust for gold. The only way I can understand it is to believe that they have a greater lust for power.

Because this bill will not be distributed in my riding, or throughout the province generally, I am going to read the names of the directors as they appear in the bill.

John Joseph Connolly, of the city of Ottawa in the province of Ontario, one of His Majesty's Counsel; William Joseph Dick, of the city of Edmonton, in the province of Alberta, consulting engineer; Abner Faison Dixon, of the city of Houston, in the state of Texas, and of the city of New York, geologist and engineer.

I hope the people of British Columbia will take special note of the next part.

Harvey Reginald MacMillan, C.B.E., of the city of Vancouver, in the province of British Columbia, industrialist; John Wray Moyer, of the city of Calgary, in the province of Alberta, oil executive; Cortelyou Ladd Simonson, of the city of New York, in the state of New York, investment banker;

Here is another name to which I hope the people of the Fraser Valley riding will pay attention.

Austin Cottrell Taylor, C.B.E., of the city of Vancouver, in the province of British Columbia, mining executive; together with such persons as may become shareholders in the company, are incorporated under the name of Alberta Natural Gas Company, hereinafter called "the company."

This company could not secure a sponsor from any of the members from the province of British Columbia. I hope the people of British Columbia will pay attention to that.

As I said before, some people may have a lust for power, or some may have a lust for gold. I do not know which one this is. I could go on talking for some time, but I do not want more than my fair share of the time. There has been some suggestion that this company would not be able to finance itself. At least two of us who spoke last year made the statement that it is not practicable to have two pipe lines to the coast, at least for a period of ten years. Everyone knows that these companies must be financed in the general money

market, that is in both the United States and Canada. These people are in it to make money, and I presume to make plenty of money. It is not practical to have two companies. It is now suggested that the one company which has had an application before the board in Alberta for almost three weeks, applying for an all-Canadian route, no "ifs" or "buts" about it, have been opposed at every step by this company that wants to go through the United States. I cannot quite understand this. Not so many years ago some men who are a great deal smarter than I am had no more money than I have but they are now multimillionaires as a result of money made out of British Columbia, and they want to exploit Canada and their own province to gain millions by going into the United States and back into Canada.

Here is what the B.C. Electric, the people who distribute gas in Vancouver, say:

> Construction of a natural gas pipe line over an all-Canadian route from Alberta to Vancouver was supported today by the B.C. Electric Company.

The B.C. Electric Company is our largest individual company in the province of British Columbia. To continue:

> The B.C. Electric got behind the Westcoast Transmission Company which applied to the Alberta Petroleum and Natural Gas conservation board for permission to build the line through the Yellowhead pass in the Rockies and Fraser valley to the west coast.
>
> The board is presently hearing submissions on the application in Calgary.
>
> The B.C. Electric brought a brief stating that widespread use of Alberta's natural gas for heating and industrial purposes would result throughout B.C. from construction of the line.
>
> The company foresaw a swing from coal, wood and oil to Alberta gas—if the Westcoast Transmission Company is allowed to build the line.

So that there will be no misunderstanding about it I want to repeat that, in so far as my objection is concerned, if this company would just incorporate within their application "an all-Canadian route", my opposition would drop immediately; and I have every reason to believe that other members have views similar to those I hold and would adopt the same attitude. The company have the opportunity; it is up to them. The one company is able to proceed, we are informed by a hearing before this Alberta board; and if I had the time I should like to quote from the report, but I am trying to speed up.

I should like to quote the premier of the province of Alberta when he said that no gas would be exported from Alberta unless sufficient guarantee was given that there was a surplus sufficient to take care of the needs of his own province. For that statement I commend him; I think he is using excellent judgment. The premier of Alberta also said

that the people of Canada should be served first. That is all that we who are opposing this bill are suggesting. We say that the people of Canada should be served first. After all, if we are to develop a united Canada we must work together one with another. One province must co-operate with the other. Here we have great financiers of Canada, as well as of the United States, offering to finance an all-Canadian route to deliver gas from Alberta, affording opportunities for the development of gas and oil in northern Alberta and northern British Columbia.

Mr. Murray (Cariboo): May I ask the hon. member for Fraser Valley (Mr. Cruickshank) a question? Will he kindly tell me why the company which he is espousing, and which he favours so greatly, refuses to service the city of Dawson Creek, British Columbia, from gas wells which it owns within six miles of the centre of that city?

Mr. Cruickshank: I am not espousing any particular company, but I am glad my hon. friend raised that question. I do not know how much time I have left, but I wish I had time to go into the matter fully. I would be delighted to answer the question. Apparently I am near the end of my time.

Mr. Speaker: I might inform the hon. member that his time has expired.

Some hon. Members: Go on.

An hon. Member: Answer the question.

Mr. St. Laurent: I do not think that there should be any extension of time during the hour for private bills, having regard to the fact that we know what happened during the last session of parliament.

An hon. Member: There should not be any interruptions.

Mr. Cruickshank: There were interruptions. May I have one minute in which to finish? I was interrupted, Mr. Speaker.

Mr. Diefenbaker: Certainly.

Some hon. Members: Go ahead.

An hon. Member: Sit down.

Mr. Cruickshank: Here is the sponsor of the bill telling me to sit down; he need not tell me to sit down.

Mr. Speaker: Order. The only way in which the hon. member may continue is with the unanimous consent of the house.

Some hon. Members: Go ahead.

Some hon. Members: No.

Mr. Speaker: Apparently it is not unanimous.

Mr. A. L. Smith (Calgary West): Between the Prime Minister (Mr. St. Laurent) and the hon. member for Fraser Valley (Mr. Cruickshank), Mr. Speaker, I was a little bit slow in rising; believing that the hon. member for Fraser Valley is a most influential member in the house, I assumed that his simple request to be allowed to go on for one more minute would be granted in order that he might answer the hon. member for Cariboo (Mr. Murray). Since he did not have the opportunity of doing so, may I tell the hon. member for Cariboo this. If you want to build a line and its distribution system into Dawson Creek, you can have all the gas in the world. Don't blame anybody else for not spending money on building something that you, a local resident, would build for yourself, if you had any pride in your place.

Mr. Murray (Cariboo): Is the hon. member speaking as counsel for the Westcoast Transmission Company, Mr. Speaker? Dawson Creek is interested in the proposition.

An hon. Member: Sit down.

Mr. Cruickshank: On a question of privilege, Mr. Speaker; the hon. member asks if the member who has the floor is counsel for the Westcoast Transmission Company. He is not, and I ask that the remark be withdrawn.

An hon. Member: Let him speak for himself.

Mr. Cruickshank: It so happens that when he is supporting me, I will support him. That is not a fair question.

Mr. Smith (Calgary West): I am not asking the hon. member for Cariboo to withdraw anything. Let him get rid of his blast. It suits him all right. It is nonsense, of course, but I accept it as that.

I intend to address myself to this subject, and perhaps I should ask somebody's pardon now because I do not intend to try to be smart with anyone—that is, from now on—and that includes the hon. member for Cariboo, if he will but possess his soul in patience and not get angry when he interrupts speakers who have the floor. I will admit that the little pink colour in his cheeks became him greatly, and perhaps he should continue in the way that he began.

I started to say, and I repeat, that I intend to present this matter with as little repetition as I can, on account of the belief that I have of the seriousness of the proposition which we are considering. Perhaps I may use a homely illustration to show to the house just how important this matter of natural gas is. I have lived in the city of Calgary for forty years; it was forty years last January. I have never burned a pound of coal in any one of the three houses in which I have lived. At the moment I have a smaller house than I had a year ago but it has a fair area. It is rather smaller upstairs than the foundation might indicate; had the builder carried it higher it would have been a reasonably-sized house. December was the coldest month that I have ever experienced in Calgary in those forty years. I use natural gas for heating my house, for the washing which is done in it, for the cooking and in the heating of my garage, which is a separate building. My total bill for that whole month when the temperature was well below zero was $22. I understand that some of you people down here are paying $70 and $80 for houses that I suppose are no larger than mine. I mention these figures to show just how important this is as a matter of fuel at the moment, to say nothing about its value as an intake product in a plant from which many things may be made.

I give you as an example a plant on the outskirts of the city of Calgary. We call it the ammonia plant. The dominion government built that plant in time of war. From natural gas in its raw state, and from nothing else, it was the largest supplier of ammonia, which is a very important product in making explosives. It supplied a very considerable portion of that product used in explosives both by the Dominion of Canada and the United Kingdom, and to some extent by the United States. This used to come from an electrolytic process, but there it was manufactured from natural gas.

That plant has now turned to the manufacture of fertilizer. They added one product—I cannot think of the name of it—which is found in the province of Saskatchewan. In spite of freight rates, the sale of the product is now largely on the gulf coast of the United States. They meet the competition of freight rates and send that product that tremendous distance. The plant now is not owned by the government; it is owned by the Consolidated Mining and Smelting Company. It was sold for somewhere in the neighbourhood of $7 million. I want to compliment the Minister of Trade and Commerce (Mr. Howe), because after the call for ammonia became lighter the government itself went into the manufacture of fertilizer, and from that manufacture made up the difference between the selling price of the plant and its cost to the government. In other words, it was a war industry investment which the government made, upon which money was, to say the least, not lost.

What has that got to do with the export of gas from Alberta? I want to make this plain,

Mr. Speaker, and I hope not to repeat it. The minute that gas leaves the Dominion of Canada, the Dominion of Canada has lost it; it has no control whatever over it, not the slightest. The control then lies with the persons who live south of our southern border. Let us carry that a step farther, and what does it mean? Let us assume that the people who are behind this bill get in a position to export gas from Alberta. Can you think of any reason why they should not then process it into fertilizer at the point nearest to the fertilizer markets? That is just ordinary common sense and ordinary business, with the result that that splendid manufacturing plant we have just on the outskirts of Calgary would have another hurdle to overcome, namely, the fertilizer converted into that substance from our natural gas.

The other day I read an article by Mr. Ritchie Donald, the honour of whose acquaintance I have. His company is of course among the top chemical engineering firms in Canada, with headquarters in Montreal. He was speaking in Chicago, and among the things of the future that he mentioned, the most important to the whole Dominion of Canada were the things that could be made from natural gas. I cannot remember these fancy names, but some people make table covers that a cigarette will not burn and a glass of whisky will not stain. The future of plastics in this country manufactured from natural gas is limitless because of the great advance that has been made these days in chemical engineering.

I want to make this point clear. Bill No. 7, like the bill we had before us last year, contains no statement as to the route. I asked the sponsor of the bill while he was speaking —I hope apologizing for interrupting him— "Where is it being built?" His answer was: "I do not know." Hon. members heard that.

Mr. Maybank: Quite right.

Mr. Smith (Calgary West): That was his answer. Let us examine what we are dealing with, what we are looking at. It is a charter. I know that other things have to be done afterward. It is a charter to build a gas line —from where to where? Nobody has any idea.

It being nine o'clock, I move the adjournment of the debate.

On motion of Mr. Smith (Calgary West) the debate was adjourned.

Mr. Speaker: The hour reserved for public and private bills having expired, the house will resume the business that was interrupted at six o'clock.

[Mr. Smith (Calgary West).]

SUPPLY

The house resumed consideration of the motion of Mr. Abbott for committee of supply.

TRADE CONDITIONS—PROPOSED COMMONWEALTH CONFERENCE—AMENDMENT, MR. DIEFENBAKER

Mr. E. D. Fulton (Kamloops): Mr. Speaker, as I was saying earlier, the trade situation in Canada today is growing desperate and fully warrants the motion that we are discussing tonight, calling for a commonwealth trade conference. In fact, information which has come to hand in a release today from the dominion bureau of statistics more than supports that statement. I shall refer to the release later and to the figures of our declining trade given in that document.

Let us look at some concrete examples of what this loss of sterling markets means to the Canadian producers. To do that we should look at the situation of our apple growers of British Columbia particularly, for theirs is a position which exemplifies perfectly the desperate need of restoring trade with the sterling markets, and the figures which I shall give, Mr. Speaker, fully justify the use of the words "the desperate need". Our apple growers are faced with the complete loss of their market in the United Kingdom and in this connection I intend to refer to our export figures over a series of years. However, before doing that I would like to refer to a statement made last night by the Minister of Agriculture (Mr. Gardiner), who is reported on page 288 of *Hansard* as follows:

> The only surplus today is the surplus of cheese and we are carrying that right now.

Our apple growers find that the only way they can get rid of their surplus apples is to make a gift of one million boxes to the United Kingdom. The British Columbia apple growers did just that over a month ago. I find that statement of the Minister of Agriculture one of the most extraordinary made recently. It is completely unsupported by the facts. According to the government's own figures they are now carrying in storage some 28 million pounds of butter. We have a surplus position in apples in British Columbia and according to all appearances the 1949 crop is going to be largely unmarketed.

Our poultry producers will be amazed at the statement by the minister that there is no surplus except in cheese. Our egg producers would be glad to know where they can market their eggs. I am sure the berry growers of the Fraser valley, on whose behalf the member for that constituency raised his voice last year, will be glad to know that

there is no surplus in Canada except that of cheese and that the Minister of Agriculture is going to take care of that.

I do know that there is a surplus of apples. When we look at our export figures, when we look at what happened to our production, we see that there is a surplus. We no longer have the great export market that we used to have in the United Kingdom. Figures taken from the Canada Year Book show that from 1933 down to 1939 we exported an average of close to two million barrels of apples a year to the United Kingdom, and I ask you to bear in mind that a barrel contains a little more than three boxes. In 1936 we exported 2,202,000 barrels; in 1938, 2,473,000 barrels. In 1939, which was interrupted by the outbreak of war, we exported 1,427,000 barrels. Trade was interrupted during the war years but in 1946, the first full year of trade after the war, we exported 1,151,054 barrels to the United Kingdom or approximately 3,500,000 boxes.

In 1948 the United Kingdom purchased no apples from Canada, and in 1949 they purchased none. The figures show that our exports of apples pre-war and post-war up to the time when we lost the British market were approximately equal. In spite of what has been said in this house and outside the house, the figures given by the United Kingdom food officials as to their domestic requirements of apples indicate clearly that the British market is still the potential market for Canadian apples provided they can find the means to purchase them. The figures for British imports up until 1946 and 1947 as given by the United Kingdom food mission show that after the war years their imports of apples from Canada were approximately equal to the imports pre-war and that if it were not for exchange difficulties a great market for Canadian apples would still exist in the United Kingdom.

Remember that in 1948 and 1949 the United Kingdom purchased virtually no apples from Canada. The only shipments so far this year have been the million boxes sent as a gift by British Columbia. Naturally enough our apple producers are in a desperate plight. Their economy has been geared to the existence of the British market. Apple production is based on a twelve-year program. It takes from seven to eight years for a tree to begin bearing and it is at least twelve years before it reaches full production. You cannot change such a program overnight.

Certain solutions have been suggested for the difficulties in which the apple growers find themselves. An immediate solution, for this year at any rate, and for the years until there is a restoration of our markets, is the provision of a floor or support price for the apple production of British Columbia and I believe of Nova Scotia as well. A floor price is necessary in the present emergency, but that is not the aspect I want to discuss now. I hope to have something to say about that when the agricultural estimates are up. Representations are being made to the minister and I understand that negotiations are under way so perhaps it is not timely to say anything more at the moment about a floor price.

The provision of a floor price is only a short-term solution, and a long-term solution is necessary for our agricultural problems. It seems to me that our efforts must be directed toward finding an answer to the recurring surpluses of agricultural products here in Canada. It seems to me that that could be done in one of two ways. We produce more than we can eat at home and therefore we must either sell overseas or build up our population in Canada so that it is able to consume at least a greater proportion of what we produce.

It seems to me that the aim and object of the resolution now before the house is the restoration of our overseas market. The first requirement is to remove currency restrictions. In spite of what the Minister of Finance (Mr. Abbott) has said, I do not think we have had any proof as yet that the imposition of currency restrictions with their resultant non-convertibility offers much hope for a solution of our trade problem. A commonwealth trade conference should be called. The imposition of restrictions hampers trade, and in this connection I should like to quote an article in the February 13 issue of *Newsweek* by Henry Hazlitt, the business commentator. He tells a little story which I think is apt to the matter under discussion, and I quote:

> A poor peasant, according to an old folk tale, went to the wise man of his village for help and advice. The peasant lived in a one-room mud hut with his wife and four children. He was driven to desperation by the noise, the quarreling, the smell, the dirt, the poor scanty food, the poverty, sickness, and squalor in which his family lived.
>
> "I will help you," said the wise man. So the next day he brought a male goat to the peasant's hut, saying: "You must feed this goat and take him in and let him sleep in the hut."
>
> "Why, O wise man?" asked the peasant. "You will see," replied the wise man. "Come back to me at the turn of the moon."
>
> On the night of the new moon the peasant was back. "O wise man, my life is unendurable. The noise in the hut is hideous. The smell is beyond belief. The goat knocks down the children and eats us out of hut and home. I am sunk in wretchedness and despair."
>
> "I will help you," said the wise man. And he came and took away the goat. A week later the peasant came to him again, his face wreathed in smiles.

Trade

"O wise man," he said, "my life now is wonderful. You cannot imagine the change since you took away the goat! The hut is quieter. The horrible smell is gone. My family has once more almost enough to eat. How can I ever thank you enough for taking away that goat? How infinitely wise you must be to have thought of such a marvelous plan!"

We find ourselves in practically the same situation. We heard the Minister of Finance (Mr. Abbott) today, in his discussion with the leader of the Social Credit party (Mr. Low) or it may have been the leader of the C.C.F. party (Mr. Coldwell), say: We are taking off these restrictions and it is having a very beneficial effect on our trade with the sterling area and the United States. Mr. Hazlitt went on to say:

I keep thinking of this tale as I read about the new plans of the bureaucrats all over the world. They impose an endless network of restrictions, burdens, coercions, and prohibitions on their own peoples; they all but strangle production and trade. And then their most happy solutions consist in removing one or two of the burdens and prohibitions that they themselves have decreed.

That is about all we have offered to us by the government in the way of prospects for increasing trade in the future. The Minister of Finance has imposed a few goats on us, and he has taken one or two away. Now he says: Look what I have done for Canadian trade. Furthermore, he says that we have had a number of conferences. There was the one in the Far East that was mentioned this afternoon which was not about trade at all. The Minister of Finance goes to Washington and discusses currency restrictions but he does not have the Minister of Agriculture (Mr. Gardiner) or the Minister of Trade and Commerce (Mr. Howe) with him. On another occasion the Minister of Agriculture sits down in Ottawa and discusses food contracts with the United Kingdom authorities but he does not have the Minister of Finance or the Minister of Trade and Commerce with him. The Minister of Trade and Commerce goes overseas and discusses trade but he does not have the Minister of Agriculture or the Minister of Finance with him. Nevertheless the Minister of Finance said this afternoon that he thought we had had enough conferences. We have not had a single trade conference, Mr. Speaker, of the sort we are talking about, and the sort which is necessary to solve commonwealth trade relations, since the conference of 1932.

In the face of the conditions which we have described, the situation facing agriculture, the situation facing our apple growers, the situation facing the workmen of this country, it is a sort of fantastic nightmare of unreality to hear the Minister of Finance say today, when we have not had a conference yet, that another conference would serve no useful purpose and that it is not up to Canada to take the initiative.

The other solution which I mentioned is, I think, a long-term one for our agricultural problems and must go hand in hand with the efforts to build up our overseas markets again, something that can only be done by removing currency restrictions and removing them now. It is to take positive steps to build up our population at home because we produce more than we can consume. Although it will help greatly to restore overseas markets, nevertheless if that is the limit of our solution we will still be peculiarly vulnerable to any depression or upset in these overseas markets. As soon as they stop buying we will have recurring food surpluses. The two efforts must go hand in hand. Until the country begins to realize the potentialities of which it is capable, both in terms of population engaged in useful production and as a consumers' market at home to eat more of what we produce, we will be faced with the problem of recurring surpluses. Under these circumstances it is no answer to say that our effort must be in the direction of cultivating our trade with the United States. Look again at the situation of our apple producers. What prospects have Canadian apple growers in the United States market?

An hon. Member: Quite good.

Mr. Fulton: Before this debate is over, perhaps the hon. member will make his contribution and tell us of the growing sales of our apples in the United States market. I will be glad to hear him substantiate his remark if my understanding of what he says is correct, namely, that the United States market offers a useful alternative to the British market. The Minister of Finance also said he would not like to have a conference without knowing what was going to be the agenda. It seems to me that a mere examination of the problem suggests the items for discussion. In order that we may have the problem fully before us, perhaps I might now refer to the dominion bureau of statistics daily bulletin which was released today, February 28. The first paragraph reads:

Canada's domestic exports to the United States—for the third successive month—were substantially higher in value in January than a year earlier. Shipments to commonwealth and other countries were generally lower and the total value of domestic exports to all countries fell below that of January last year.

Further down it continues:

Total exports to all countries in January declined in value to $221,200,000 compared with $237 million a year earlier.

I might interpolate that this was a reduction of $16 million. The release continues:

Shipments to the United States thus accounted for about 59 per cent of the month's total value as compared with slightly more than 50 per cent in the twelve months of 1949.

But the position is that our over-all trade picture is deteriorating. The release goes on as follows:

Sales to the United Kingdom—which have been subject to fluctuations during recent months—were valued at $48,608,000, down from $55,813,000 a year earlier, but only slightly under the December figure.

We might point out that in January sales to the United Kingdom declined by over $7 million. Continuing it reads:

There were decreases also from a year ago in exports to other commonwealth areas. The largest decline was in exports to commonwealth countries in Asia which fell to $3,473,000 from $14,937,000, with shipments to India down to $495,000 from $11,190,000 in January last year. . . . Exports to the British West Indies, including British Guiana, Bermuda and British Honduras, declined to $2,512,000 compared to $4,608,000; to commonwealth countries in Africa to $3,831,000 from $4,991,000; and to the Oceania group of Australia, New Zealand and Fiji to $2,612,000 from $3,145,000.

The paragraph concludes with this sentence:

Total value of exports to all commonwealth countries, including the United Kingdom, was $62,336,000 as against $83,706,000.

For the month of January, Mr. Speaker, there was a decline in our exports to commonwealth countries of $21 million.

With that general background, together with the knowledge all hon. members have of the situation facing individual producers or producer groups in their own constituencies, it is no answer for the Minister of Finance (Mr. Abbott) to say that a conference would not serve any useful purpose, and that he does not know just what such a conference might discuss. A conference might discuss ways and means of restoring trade, of removing trade restrictions, of trading between commonwealth countries to our mutual benefit. It might discuss the removal of currency restrictions; it might discuss the kind of goods available in one country for shipment to another and the kind of goods that can be shipped back, and a means of providing for the balance of payments resulting. It might also discuss immigration and emigration as between commonwealth countries. There are many things such a conference might discuss, problems the Canadian people want to see solved. They are problems for which the government so far has offered no solution. While it is not generous to decry the efforts that have been made by various ministers and missions who have been sent abroad, I think it is fair to say that these isolated, separate missions hither and yon all over the map, each consisting of an individual minister or group of experts without any co-ordination such as a trade conference must have, are foredoomed to failure in attempting to deal with the trade situation faced today by this country and the world in general.

In conclusion, Mr. Speaker, I want to echo what has been said before by hon. members on this side of the house and what I know is in the hearts of all members on all sides. Canada's greatest customer over the years, the nation or group of nations that has taken more from us than it has sold to us, is the British commonwealth of nations and particularly the United Kingdom. We would be making a grave mistake if, as one hon. member put it, we sold that commonwealth short. The fact is that owing to currency restrictions the United Kingdom can no longer buy from us more than she sells to us, because the currency she has with which to pay for what she buys is not convertible. That is the problem that must be solved if we want to restore commonwealth trade and if we want to halt the trend which is going on, as the release issued today by the dominion bureau of statistics makes quite clear.

Together with other hon. members who have spoken this afternoon, in behalf of the group of producers I mentioned specifically, the apple producers of British Columbia, but also in behalf of the lumber producers of that province and of the maritimes and of all Canadian producers of goods which other people need, I hope the government will not close its mind to the necessity of a conference such as that suggested in the amendment moved this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker), and the beneficial results which could flow from it.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I desire to speak briefly to the amendment now before the house, which asks that the government take immediate steps to convene, at the earliest possible date, a conference of the nations of the British commonwealth and the countries of the empire to devise policies to restore our lost markets and thereby provide jobs for the Canadian people.

Without agreeing with the Progressive Conservative opposition that our trade situation is in a desperate way, and without agreeing with the government that the position is a matter of no great concern, I think there is a general feeling that not only Canadian but world trade relations are getting into

difficulties. In my view this would not necessarily be a serious matter were it not for the fact that, as I see it, the present deterioration in trade and in world economic conditions follows a pattern we know so well. That was the pattern after the last war, when we had a few short years of economic activity when we were urged by businessmen to produce more and consume less. But shortly came the debacle, when a great many people could not consume at all, not because the things were not there to consume but because something had gone wrong with the exchange of commodities both between nations and within the nation. At the present time we see the very same pattern developing. When we finished the war we had a tremendous backlog of needs to be met, both in consumer and capital goods. This was more so with the countries of Europe than on this continent of North America, but in four or five short years we have overcome that backlog of consumer needs, we have added to our capital resources so that now we can supply a greater amount of goods and services than ever before. Now, the paradox of the situation is this: just when we are better equipped than ever before to supply the needs of our people and raise the standard of living, the standard of living is going down. How far that deterioration may go on this particular lap I do not know; but if we do not find some way to distribute the wealth we can produce so abundantly, nothing can save us from falling into a depression such as we had from 1930 to 1939, from which we were rescued by the war.

Whether, as the Minister of Finance (Mr. Abbott) has said, the present trade slump is not due to a lack of conferences, or whether it would not necessarily be improved by calling another conference, certainly I believe one thing is true; that is, that it will not settle itself. Either we are going to try to find a solution for our problems in such ways as solutions can be found, or we are going to throw up our hands and say there is nothing further we can do. For that reason alone, I would favour a trade conference. I am sure that once representatives met at such a conference they would not only discuss the matter of the exchange of commodities, but they could discuss the underlying difficulties, economic conditions and methods of distributing wealth, as well as the mere exchange of commodities.

During the last two sessions, I have been appalled to hear members stand up in this house and condemn the British government for its refusal to buy more Canadian goods. I believe that anyone who has sufficient intelligence to become a member of this house, and who makes a statement of that kind, is unpardonably ignorant. If the Minister of Agriculture made the statement that was attributed to him to the effect that there was some conspiracy in the United Kingdom not to buy Canadian goods, then I have not words to express what I think of that.

It is the generally accepted understanding of international trade that the goods we import are paid for by the goods we export. If we have no goods to export, then we will have to stop importing goods; that is the general picture. Let us look at the situation as between Canada and the United Kingdom. I have in my hand a copy of Foreign Trade, a publication issued by the Department of Trade and Commerce. This issue is dated February 8, 1950. I find that the total Canadian exports to the United Kingdom for the calendar year 1949, excluding gold, amounted to $705 million; that was the value of the goods we exported to the United Kingdom. We bought from the United Kingdom goods to the value of $307,400,000. In other words, for every dollar's worth of goods we bought from the United Kingdom, the United Kingdom bought $2.30 worth of goods from us. Unless there is some way by which the United Kingdom can get dollars or gold, she cannot buy anything more from us than she is buying. It is sheer nonsense, it is sheer hypocrisy, for members of this house to complain about the United Kingdom not buying more goods from Canada.

Let us look at the picture as between Canada and the United States. For the same calendar year of 1949, we sold to the United States goods totalling $1,503 million. We bought from the United States goods totalling $1,951 million. In other words, for every dollar's worth of goods we sold to the United States, we bought $1.30 worth of goods from the United States. Bear in mind that it gives us great concern to conserve our dollars, so that we can continue to buy from the United States. Supposing the trade picture between the United States and Canada were represented by Canada buying $2.30 worth of goods from the United States for every dollar's worth of goods the United States bought from us, would the Minister of Finance be so emphatic about the value of non-discrimination in trade as he was this afternoon?

In 1947 when we imposed restrictions on United States imports there was a certain amount of tongue in the cheek attitude on the question of non-discrimination. Although the balance of payments was not nearly as bad as it is today between Canada and the United Kingdom, restrictions on imports from the United States were imposed, the same restrictions being imposed on imports from other

countries, including the United Kingdom. But I heard the Minister of Finance say in this house that although it was quite true we were imposing the same restrictions on the United Kingdom, it did not matter because we were not buying any of the prohibited goods from the United Kingdom. It seems to me we should be realistic in these matters and realize that we cannot sell to a country very much more than we buy from that country. All the nations of the world must realize, and for the purpose of what I am saying now I mean the nations of the free world, that if they are going to expand their economies, increase prosperity, raise the standard of living of their people, then we will have to do much more and go much further than we have so far in the matter of deciding what we can sell to each other, and what we can buy from each other.

In my opinion, it is not just a question of improving Canada's trade position, it is a question of international prosperity—the prosperity of the countries of the western world. But it is more than that; it is as much a part of our defence against aggression as is our military preparedness. If we do not keep the western world prosperous, we will lose out in the struggle with the totalitarian world. Let us remember that to maintain the prosperity of the western world is part of our defence against aggression. It is for that reason this question is so important. That is why increasing unemployment and falling markets are so important to everyone who believes in co-operation and peace. We also must not forget that we cannot have co-operation in military matters to defend ourselves against an enemy, and have trade wars between the co-operators. Surely the time has arrived when we should see that that sort of economics no longer fits the needs of the world of 1950. Whether or not a conference of this kind would accomplish anything, surely it would be an advance if we could bring the nations of the commonwealth close together—the commonwealth now is both east and west—and find out more definitely what each nation has to sell and what each is willing to buy. Surely if we did not do anything more than make an advance in that direction, the conference would be worth while. Unless those who are opposed to such a conference have some better solution for meeting our economic problems, they certainly should not turn this one down without giving a serious consideration indeed.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: Before putting the question, I should like to observe that I have had some doubt as to whether the amendment is in order under our rules.

It is true that wide latitude is given in respect of amendments to the motion for going into supply. It is equally true, however, that there are well-established classes of amendments which, for good reason, cannot be moved on such a motion. For instance, a matter of which notice has been given or which stands upon the order paper cannot be introduced as an amendment to a motion for going into supply. See Bourinot's Parliamentary Procedure, fourth edition, at page 420.

The opening clause of the amendment to the address in reply to the speech from the throne, moved by the leader of the opposition (Mr. Drew), reads as follows:

> We respectfully submit to Your Excellency that Your Excellency's advisers have:
>
> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers;...

The present amendment is similar to the amendment just quoted in that it deals with a particular phase or aspect of the broader question, and recommends a particular method for resolving it. The subject matter of the present amendment could be, and I believe already has been, introduced in the debate on the address.

I feel bound to disclose to the house the doubt I entertain as to the admissibility of this amendment. It is a borderline case, but I think that the doubt should be resolved in favour of the hon. member for Lake Centre (Mr. Diefenbaker). For that reason I am not going to rule the amendment out of order.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Argue	Fulton
Aylesworth	Gagnon
Balcer	Gillis
Beyerstein	Graydon
Blackmore	Green
Blair	Harkness
Brooks	Harris (Dartforth)
Browne (St. John's West)	Hatfield
Bryce	Herridge
Cardiff	Higgins
Casselman	Hodgson
Catherwood	Johnston
Charlton	Jones
Coldwell	Knight
Courtemanche	Knowles
Coyle	Lennard
Diefenbaker	Macdonnell (Greenwood)
Fair	MacInnis
Fleming	McGregor
Fraser	McLure

Trade

Murphy
Noseworthy
Pearkes
Poulin
Quelch
Ross (Souris)
Rowe
Shaw
Stanfield
Stewart (Winnipeg North)
Thatcher
Thomas
White (Hastings-Peterborough)
Wright
Wylie—55.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Bater
Beaudoin
Benidickson
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bradette
Bradley
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Carter
Cauchon
Chevrier
Claxton
Cloutier
Corry
Cote (St. Johns-Iberville-Napierville)
Cote (Verdun-LaSalle)
Croll
Cruickshank
Darroch
Dechene
Demers
Denis
Dewar
Dickey
Dion
Dumas
Elderkin
Eyre
Fauteux
Ferrie
Fournier (Hull)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Sudbury)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gibson
Gingras
Gingues
Goode
Gosselin
Gour (Russell)
Gourd (Chapleau)
Harris (Grey-Bruce)
Harrison
Healy
Helme
Henderson
Henry
Hetland
Hosking
Huffman
Hunter
Isnor
James
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapalme
Lapointe
Larson
Leduc
Lefrancois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
Macnaughton
McCann
McCusker
McIlraith
McIvor
McWilliam
Major
Maltais
Masse
Martin
Matthews
Maybank
Mayhew
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nadon
Pearson
Pinard
Pouliot
Proudfoot
Prudham
Ratelle
Richard (Gloucester)
Richard (St. Maurice-Lafleche)
Richard (Ottawa East)
Riley
Rinfret
Roberge
Robertson
Robinson
Rooney
Ross (Hamilton East)
Simmons
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Stuart (Charlotte)
Thomson
Tremblay
Valois
Ward
Warren
Weaver
Weir
Welbourn
Whiteside
Whitman
Winkler
Winters
Wood—148.

[Mr. Speaker.]

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have voted in favour of the amendment.

Motion (Mr. Abbott) agreed to and the house went into committee of supply, Mr. Dion in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

64. Departmental administration, $2,378,880.

Item stands.

DEPARTMENT OF NATIONAL DEFENCE

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670, including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Item stands.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $293,670.

Item stands.

Progress reported.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, February 27, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew and the amendment to the amendment of Mr. Coldwell.

Mr. A. E. Dewar (Qu'Appelle): Mr. Speaker, in my opening remarks last evening I had intended to make reference to the illustrious group of governmental supporters in this corner of the house. Having once had a reputation for boisterous behaviour, this group is today quiet and serene. However, let no one think for a minute that we do not lend weight to this august body. As a matter of fact, we are almost the weightiest in the house, including the hon. member for Nipissing (Mr. Garland), whose home is in North Bay. At the present time we can more than

pull our own weight and in time it is our hope that we will be able to lend a lot to other sections of the house.

Continuing along the theme of trade with Great Britain and the so-called lost returns to our farmers, I have a few observations I should like to add to what I had to say last evening. Our good friends in the official opposition have suggested various sums that have been lost because of the contracts that were made for prices below the world level. We are not in disagreement with the statement that the prices were below world level, but why in heaven's name are they not consistent in their arguments?

One hon. member will get up and make a tear-jerking speech with reference to the commonwealth and the British people, and then in the next minute another speaker gets up and says that this country has lost $500 million. Then a day or two later another speaker gets up and says that we lost $1,000 million. Then another fellow, not to be outdone, says that we have lost $2,000 million.

Mr. Fleming: You have lost your seat or your head.

Mr. Dewar: You answer for your own head or for your own seat and I will answer for mine. If anyone stops to consider the limited number of dollars that Great Britain had during the post-war years and where those dollars came from he will not suggest that we should have kept prices up to the world level. The government with which I happen to have the honour to be associated and will be associated with is the government that inaugurated this program. They supplied the dollars with which Great Britain bought our products.

The Canadian taxpayer makes a great holler about the atrocious taxes, but I can assure you that if prices had been fixed at the world level it would have meant so many more dollars that the taxpayer would have had to supply to Great Britain. Do not forget that Great Britain had only a limited number of dollars to spend and as a consequence this government made a deal to provide them with opportunities to purchase the foodstuffs that they could use.

The hon. member for Eglinton (Mr. Fleming) was not in his seat last night when I made this remark, so I am going to make it again. He has confused the 16 per cent decline in farm revenues with that of trade. He states there has been a 16 per cent decline in income.

Mr. Fleming: That was the decline in the value of field crops.

Mr. Dewar: Call it field crops or anything you like, it does not make any difference. We will call it field crops. Before trade can be carried on, goods must be produced and hence the 16 per cent decline is not the result of trade but is an internal production decline due to drought conditions. As a matter of fact when you consider the amount of money that we produce in the west from the sale of our products from year to year, and the fact that about one-third of the province of Saskatchewan has no crop, a 16 per cent decline is only a fraction of the over-all total production.

Much has been said, is being said and no doubt will continue to be said about what Great Britain has done for the commonwealth. I quite agree. As the expression goes, Great Britain cast her bread on the waters and it came back as ham sandwiches. Nevertheless I do not want anyone to forget that everything that Great Britain has been and is today is directly attributable to what she got from the commonwealth. In other words, if she continues on her present path of reneging on what we in Canada feel she should do, it is not beyond the realms of possibility she may some day be sitting alone, a lonely little island on the threshold of Europe. The businessmen of Great Britain are noted for their shrewdness. They are just the same as every individual in this House of Commons. The opposition party or parties would be the first people in the Dominion of Canada to criticize the government if they were to buy from any country a product which they could secure cheaper elsewhere. The same thing applies to the British empire. They are going to buy where they can do so most cheaply.

Mr. Noseworthy: Speak for your own party.

An hon. Member: He has not got a party to speak for.

Mr. Dewar: Therefore the government of Canada has acted in good faith. Unfortunately we have arrived at the position we are in today owing to the ungovernable factors of our existence. At all levels of government in Canada that is an established fact. Similarly, as to external trade, it is the ungovernable elements that have to be mastered. So far as our position is specifically concerned, Great Britain and the United States hold the key. If their moves are wise and sympathetic we in this country are assured for the future. If not, no government group of any party can supply the solution beyond a certain point.

I should like to turn now to the wheat board. On February 21 the hon. member for Melfort (Mr. Wright), together with the hon. member for Lake Centre (Mr. Diefenbaker),

requested the government to announce further payments on wheat as well as coarse grains. Last evening the hon. member for Melfort charged the government with playing politics when they made the 20 cents per bushel payment on the first of April, 1949. I suggest that this same hon. gentleman was playing politics the other day when he asked his question in the first place, and as soon as he received the wheat board report he thought he was going to hang the government on the hook.

I am rather surprised that he has now reversed his position of concern for farmers receiving payments. As a matter of fact he is not in a drought area himself. I am amazed at his attitude in criticizing government payments made last spring. Contrary to what he led us to believe last night, these payments were announced five months ahead. Drought conditions had been widespread throughout the west and farmers' organizations requested that these payments be made as early as possible. The Minister of Agriculture (Mr. Gardiner) challenged the statement that these payments had not been requested. I happen to have in my possession a letter and a resolution sent to the minister on December 7, 1948.

An hon. Member: Where did you get that?

Mr. Dewar: Not from anyone in your group. The letter reads:

Dear Mr. Gardiner:

At the regular meeting of our council held on yesterday's date, the following resolution was passed for your earnest-consideration.

Whereas it is understood that the wheat board is going to make a payment of 20 cents per bushel on the 1945, 1946 and 1947 wheat crop, therefore be it resolved that we request the wheat board to make this payment as early as possible in the new year in this municipality, particularly as it is in the crop failure bonus area and in dire neeed to purchase feed and seed oats prior to spring.

I do not see how anyone can honestly get up and accuse the government of playing politics in the making of the payment in view of the hundreds of letters and request that were received.

Mr. Johnston: The announcement had already been made by the wheat board.

Mr. Dewar: I did not quite get that.

Mr. Johnston: The announcement had already been made that there would be a payment.

Mr. Dewar: Was it not perfectly all right for us to make it? Why should we be accused of playing politics by the hon. member for Melfort?

Mr. Johnston: So you were.

[Mr. Dewar.]

Mr. Dewar: How were we playing politics? The announcement was made months before the election was even dreamed of.

Mr. Knowles: Whom was the letter from?

Mr. Dewar: I will tell you. The address is Strasbourg, Saskatchewan, which I believe is in the riding of the hon. member for Lake Centre (Mr. Diefenbaker). It is from the rural municipality of McKillop, No. 220, and it is signed by Mr. C. H. Chapin, secretary-treasurer.

Mr. Johnston: Liberal organizer.

Mr. Dewar: The hon. member for Melfort also took exception to the fact that interest payments had been made amounting to $5 million. How in heaven's name can you handle wheat through the wheat board if you do not borrow money at some time? Anyone who knows anything about the grain trade and how wheat is handled knows that the minute the farmer delivers a bushel of wheat he receives payment for it, but the fact that he receives payment does not mean that the bushel of wheat has reached the lakehead or an export port. Therefore the money must be found some place, and the hon. member was absolutely wrong in the point he raised last night by way of criticism of the federal government. There is no other way it can be handled. I rather think that if he were to suggest to his supporters in the Melfort riding that these payments be left until such time as all of the operations of the board for the year are wound up he would not be sitting in his seat very long.

Our good friends in the C.C.F. have been suggesting that we should hang our heads in shame.

Some hon. Members: Hear, hear.

Mr. Knowles: Now you are learning.

Mr. Dewar: They tell us we should hang our heads in disgrace. I have listened to that sort of thing all during the last session and for a good portion of this session. For clarification I should like to reiterate some remarks I made during my election campaign. My supporters and the people generally of the Qu'Appelle constituency know where I stand. I made them no promises. What I did say repeatedly was that I was in favour of anything they wanted provided they were ready and willing to pay for it. I would not insult them, as some have, by endeavouring to buy their votes with wild, rash promises, nor would I degenerate to auction sale tactics to gain their favour and support. Hon. members will notice that I am here in Ottawa.

Last Sunday I was privileged to attend church. At this time I should like to say that our churches are the greatest instrument for good we have in this or any other country of the world. We as Liberals, being a widely assorted and truly national group, acknowledge our errors and omissions. We are possessed of all the frailties of human nature.

Some hon. Members: Hear, hear.

Mr. Dewar: From the speeches I have listened to which were made by those on the other side of the house I almost expect halos and wings to appear any day. Consequently on Sunday I noted a prayer of confession which I hope the opposition groups will include in their respective manifestos.

Mr. Wylie: Be careful.

Mr. Dewar: It is as follows:

> If thou, O Lord, shouldst mark iniquity, O Lord who would stand? Enter not into judgment with Thy servants, for in Thy sight is no man living justified. In Thy presence, our Father, our disguises and pretenses do not avail, and under the light of Thy holiness we know ourselves for what we are, mean and petty creatures who seek our own in spite of our noble pretensions.
>
> Have mercy upon us. Give us the grace to see our faults more clearly that we may truly repent.

I would like hon. members to note the next words:

> We acknowledge that the world's sin is our own, that the greed which we condemn when it results in obvious inhumanity is in our own heart; that the world is unjust because none of us love justice with sufficient abandon; that the vices of civilization are compounded of the lusts of us all. Give us grace to look into our own hearts before we cast a stone of condemnation.

In conclusion I would say it was faith in the future, and hard work, that built this country of ours into its present greatness. Canada, to fulfil her destiny, must correct her thinking; and when I say that I mean the people of Canada. This thinking has been and every day is being warped by the propagandists of the opposition groups, who are suggesting that the government more and more absorb the problems of the individual. They preach the gospel of "what the country owes me"—don't deny it—rather than "what may I do for my country?" I hope the current generation will say, as the fine men and women who sacrificed their lives in the last war said, "What may I do for my country?"

This brings me to "stop, look and listen." It seems the time has come when we should stop, look and listen before embarking upon vast new governmental projects intended to compel an increase in our material welfare. We should consider not merely whether the professed end is good, but what the process of getting there will do to the people's character if it involves more governmental compulsion and less personal responsibility. Also we should consider whether there are not alternative ways of achieving the desired ends that have more of a voluntary and less of a compulsory character.

Mr. Henri A. Gosselin (Brome-Missisquoi): Mr. Speaker, this is the second time it has been my privilege to rise in this house and take part in a debate on the speech from the throne. In my first remarks I should like to congratulate the mover and seconder, who performed their tasks so well. I shall try to be as brief as possible, but I believe it is my duty to bring to this house matters which I feel have to do with the welfare and future of the coming generation.

As a railroad man I also feel that it is my duty to say a few words with respect to a matter which has been mentioned several times in the house during the last few days; that is, the shortage of coal which has caused a decrease in passenger service on the Canadian National Railways. After thirty-seven years of railroad work I believe I know the routine of its administration; and I feel that we should not be so ready to criticize our railways, which have made such a contribution to the development of this country. It is true that a lack of coal has forced a curtailment of passenger service by the Canadian National; but let me tell you, Mr. Speaker, that the financial position of our railway companies is not what it should be, and they are obliged to carry on at a loss while giving our people the best service possible. I am sure a great deal of the criticism that is being expressed comes from members of this house who never travel by train if they can possibly get where they are going by car or by plane. Our railway officials have believed it better to maintain the freight service so the people of the country would suffer as little as possible, and have chosen to reduce passenger service instead; and I congratulate them on having done so. It is necessary that those in charge of our railways should look to the future of this country, and at the same time increase the efficiency of our railways and develop more speedy transportation in order to compete with other methods of transportation. So I say we should not reproach those who are making every effort to develop rail transportation in this country. Affiliated with those companies we have ocean transportation and large hotels which give accommodation to the people of Canada and also provide essential facilities for our tourists.

I repeat that the railway companies have greatly assisted in the development of this country. When there was no other form of either passenger or freight service, the railway companies carried on, even at a loss; and as a railroad man for so many years I greatly regret to hear this criticism. Instead of hon. members criticizing they should bear in mind that it is the duty of those administering the affairs of these companies to protect their finances and, in so doing, protect the finances of the country.

Then I should like to congratulate the government on doing everything possible to increase the value of education in this country; yet I am afraid I must say that to a certain extent education has been neglected. An educated population is the most important asset any country may have. I believe that, in many ways, education has been neglected, and that our governments should have taken a more active part in giving the necessary financial assistance to the raising of our educational standards. During the last few years our provincial governments, which are charged with the responsibility for education, no doubt owing to a shortage of finances, were forced to neglect the education of our children. The federal government recognized its duty to enter this field and assist the provinces in providing better education. This will mean, Mr. Speaker, that the professor and the teacher will receive a better income than they have in the past. The character of our children, which is formed in the schoolroom, is carried through life. There is, therefore, no more important question than the provision of an education for the future population of our country.

I wish once more, Mr. Speaker, to congratulate the government on its efforts to assist our provincial governments in carrying forward the principle of education to such an extent that no public man who has that right may criticize the educational standards we have set. I wish to congratulate the government also on the action it has taken in connection with health. There is no category of social service which is more essential, Mr. Speaker, than health services. This is especially true in the years we are going through, because our population is in the mids of dangerous and contagious diseases. I feel it is the duty of the government, regardless of any other department, to use the money necessary to establish hospitalization and medical care for our population. This would enable our people to look forward to all the medical care that is necessary throughout their life.

Regrettably, Mr. Speaker, in this young country of ours, it is impossible to carry on everything at once. I still believe that this government is establishing a sound foundation for social services. I believe that program can be divided into two principal parts, health and education. I repeat, Mr. Speaker, that an educated and healthy population is the fundamental basis for the prosperity of any country. I urge the government not to withdraw on those fundamental principles, which are of importance to the welfare of this Canada of ours.

There is another important question, Mr. Speaker, and that is ensuring the aged a pension sufficient to take care of their needs. After spending the greater part of his life in the raising of a family, the aged person will feel that he is protected. I hope that this government will look into this matter, and find a way of guaranteeing the older element of our population a satisfactory pension without a means test. The old age pension, as it is now, is highly appreciated, but I do believe it does not go far enough. I do not like the old age pension being recognized as a matter of charity. Those who have attained the age of 65 or 70, who have given their entire life to their country, are often obliged to degrade themselves to seek this form of charity. I am sure that this government will investigate every possible means of giving these people an old age pension without a means test, so that those who deserve it will not feel there is the stigma of charity attached to it. I know that to many of us, Mr. Speaker, such a pension system seems to be beyond our financial capability. I am sure, however, that the administration of this country will provide some way of overcoming the financial situation, and will solve this problem.

May I congratulate this government on the adoption of family allowances. This administration found the means with which to pay those family allowances to all families, regardless of wealth. This ensures that the younger element of our population will be provided with the necessities of life.

My next remarks, Mr. Speaker, will be designed to give assistance to this government in regard to agriculture. As I stated a few moments ago, I am a railroad man by profession, but I am also a farmer. I am one of those who have followed the occupation of farming since childhood. I am the son of a farmer, and I intend to bend all my efforts towards improving the welfare and ensuring the prosperity of farmers. The farmers in my day, Mr. Speaker, as everyone will admit, were far from prosperous. They were not encouraged to remain on the soil. In the last few years new developments have taken place, as a result of which our products are sold to better advantage. Our agricultural

schools have also developed ways and means of obtaining higher revenues for those engaged in farming. But I believe that the present government, or any other government, should give consideration to further measures to ensure the prosperity of our farmers, who are fundamentally the basis of the prosperity and the guarantee of the financial stability of any country in the world. That being so, no government should neglect to maintain their stability, for by so doing they will be guaranteeing the financial stability of the country whose affairs they are called upon to administer.

Before going further in my remarks with regard to the farming situation, I wish to congratulate the Minister of Agriculture (Mr. Gardiner) who is a farmer himself and understands the necessity of maintaining the farmers on the soil. He knows that it is more than ever necessary to provide them with a comfortable living on their farms. He knows that is his duty, and he has shown that he recognizes it by providing for the farmers subsidies commensurate with the financial situation of the country.

We have often heard it said, in the last few months especially, that the farmer is neglected and is going to be discouraged. I say no. As I have said on several occasions, especially in this house before a group of administrators of the country, we should gather together to maintain those principles of guaranteeing prosperity to the farmers, who are, as we all understand, the basis of financial stability, instead of making speeches that may cause them to become discouraged, and stating that within six months or a year our farmers will be in a disastrous position because there is no market for their products. Let us have more confidence in the future, Mr. Speaker. Let us have more confidence that any public man who is willing to devote himself to public life, no matter to what party he may belong, will give this encouragement. Regardless of what the political beliefs of my farmer colleagues in this house may be, I should have preferred to hear them tell the government that at the present time we are facing a decrease in the value of our products but have confidence that we may trade with foreign countries and with the United States so that they may absorb the surplus and that we may maintain our prices for our farm products. By doing so, instead of trying to discourage them in a small political way, I believe they would have rendered a service to the farming community. I state this with all the sincerity that I as a farmer possess, as a result of my experience over many years.

We all know, Mr. Speaker, that after a war it is necessary for an adjustment to be made in the financial situation of a country. No doubt the United Kingdom faces the same problem that we face here, namely a readjustment of finances; and they find themselves in a position in which they are unable to make purchases in sterling and to expand further the exchange of commodities, as has been explained in this house. I believe that it is necessary for all countries to look at the past, but I also believe that it is necessary for them to look to the future. With all the sincerity of which we are capable we hope that we shall not be called on again to face the rigours of another war. If our debts were raised to such an extent, our working population would require higher salaries in order to maintain their families, and this would of necessity cause an increase in the payrolls of their employers. But let us hope once more that we shall not be forced to face another war.

May I congratulate the government on the principles they are adopting to try to readjust all categories of finance in order to protect this country of ours and its future. It is necessary for this house to group together, regardless of politics, and study ways and means of giving to our younger element the encouragement they deserve so that they will not feel themselves in the desert after having had the advantages of—and I feel I must say this—extravagant living as compared with that which men of my age and many years younger have experienced in the past. I do not say this by way of reproach, and I hope that I am not misunderstood. Because of the high revenues in all categories of employment, and the return we receive, we as fathers of families were not obliged to provide a real education in economy as was done in the past. May I therefore once more congratulate the present government on providing, by every possible means, that the finances of this country shall be on a sound basis so that the bondholders of this country shall never have reason to fear that their savings are in danger. It is the duty of the government to look first to the guarantee of its obligations; second, to adopt social laws so that its population may have faith in their security; and third, to establish trade with other countries, and the exchange of commodities in order to ensure the sale of our surplus products. I know that the present government are working on that principle, that they are looking forward, and that they are more advanced than the opposition seems to give them credit for in this house.

I have confidence that when it becomes necessary to export goods to the United Kingdom arrangements will be made, and we shall be assured that we shall continue to trade with the United Kingdom and also with our good neighbour, the United States. We should express words of encouragement to those with whom we are in communication; we should not try to instil il their minds the thought that we are gone forever. It is most important to our country to create in our minds the feeling that the future is worth boking forward to. We should not try to discourage the younger element by saying that the future before them is dark. No matter how we feel, we hold a responsible position in this house, and we should try to eliminate all expressions which might lead any of our younger element to believe that the future before them is dark. Therefore, Mr. Speaker, I believe that every public man will do his duty toward the welfare and the future of the country in which he lives.

I believe that the Minister of Agriculture (Mr. Gardiner) will provide ways and means of assisting our farmers to increase production.

An hon. Member: Surplus production.

Mr. Gosselin: Hon. members on the opposite side speak of surplus production. We should not look forward to the future as something black; we should do our work and conduct our activities as though the future were bright, and in ninety-nine cases out of a hundred I believe that success will crown our efforts.

I hope that the Minister of Agriculture, in his present capacity, will, in co-operation with the provincial authorities, give the necessary assistance to our farmers to increase production, and that that increased production will be brought about with the same amount of work. By so doing we will give our farmers encouragement to harvest their crops and to deliver the surplus which they will be able to offer to the labourer, at a reduction in price. In that way the farmer will be able to deliver the commodities of his farm to the cities at a lower rate, a rate which will compare with the reduction which is necessary among our working classes in order to stabilize conditions in this country.

May I give an example. So far as wages are concerned, the working classes have no desire to increase wages beyond what is necessary at the end of the week to take care of the obligations which they have toward their families and to buy the necessities for the table. Because of the high prices of commodities it is necessary for the labouring man to ask for an increase in wages.

I remember that during the years from 1914 to 1918 railroad employees were given increases in wages, and after the financial situation became stabilized, the credit for which should no doubt go to the government of the day, a reduction in salary took place in 1923 to compare with the reduction in the cost of living. It was accepted with assurance and satisfaction, as the working classes could buy with that amount of money that which was unattainable before. Farming is the basis of prosperity, and agricultural products are necessities to all classes of people. The farmer should be provided with ways and means to increase production. He should have guaranteed to him the financial assistance which is necessary to enable him to carry on in such a way as to give to himself and family all that is essential to encourage them to remain on the soil. High salaries and short hours of work that prevail in the cities should not be introduced on the farms.

A few days ago one hon. member mentioned that the hours the farmer works are unlimited. I agree with his remarks. However, I believe that if the farmer is given a reasonable return for the long hours he works he and his sons will not be apt to desert the soil.

On motion of Mr. Gosselin the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): As announced by the Prime Minister (Mr. St. Laurent), before the orders of the day are called tomorrow we shall take up questions and notices of motions for production of papers. After that we shall continue with the debate on the address.

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

HOUSE OF COMMONS

Wednesday, March 1, 1950

The house met at three o'clock.

RENT CONTROL

WARTIME LEASEHOLD REGULATIONS—DECISION OF SUPREME COURT OF CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to table two copies of the decision made this morning by the Supreme Court of Canada with respect to the wartime leasehold regulations.

[*Later:*]

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask a question of the Minister of Justice arising out of the submission to the Supreme Court of Canada with regard to the wartime leasehold regulations. In the judgment did the supreme court state that there was in fact an emergency existing, or did they accept the declaration of parliament, or that contained in the preamble to the regulations, of the existence of an emergency, and base their judgment on that assumption?

Mr. Lesage: Read it yourself.

Hon. Stuart S. Garson (Minister of Justice): May I ask my hon. friend whether he is referring to the judgment which has just been tabled?

Mr. Diefenbaker: Yes.

Mr. Garson: I regret very much I have not yet had the opportunity to read it.

Mr. Diefenbaker: Possibly the minister can give us the answer tomorrow.

Mr. Abbott: Perhaps the hon. member can read the judgment.

INDUSTRIAL RELATIONS

AMENDMENT OF ACT OF 1947-48—REINSTATEMENT AND COMPENSATION

Mr. J. W. Noseworthy (York South) moved for leave to introduce Bill No. 10, to amend the Industrial Relations and Disputes Investigation Act (reinstatement and compensation).

Some hon. Members: Explain.

Mr. Noseworthy: This bill adds a new section to the Industrial Relations and Disputes Investigation Act. The object of the new section is indicated therein—to give power to the board to make an order requiring an employer to reinstate any employee discharged contrary to the provisions of the act, and to pay such employee the monetary loss suffered by reason of such discharge.

Motion agreed to and bill read the first time.

DOMINION ELECTIONS ACT

AMENDMENT TO REDUCE THE ELIGIBLE AGE OF VOTERS FROM 21 TO 18

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 11, to amend the Dominion Elections Act, 1938 (age of voters).

Some hon. Members: Explain.

Mr. Argue: The purpose of this bill is to take into account the superior education and training now given Canadian youth; also the fact that at eighteen years of age Canadians are considered sufficiently mature to serve in the country's armed forces. It therefore seeks to amend the Dominion Elections Act by reducing the eligible voting age from twenty-one to eighteen.

Mr. Pouliot: Seven is the age of wisdom.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ANIMAL CONTAGIOUS DISEASES ACT

Mr. White (Middlesex East):

1. How much money was voted by parliament in 1949 to make payments to livestock owners under Bill No. 147 to amend the Animal Contagious Diseases Act?
2. How many farmers eligible for payments under this bill have received payments to date?
3. How much of the money voted has been expended to date?

Mr. McCubbin:

1. None.
2. None.
3. No money yet voted.

VETERANS—DISTRIBUTION OF FRANCE AND GERMANY STAR

Mr. Harkness:

1. Has the France and Germany Star been issued to veterans who took part in the Dieppe operation?
2. If not, what are the reasons for the delay?

Mr. Blanchette:

1. No.

2. The regulations for the award of all campaign stars and war medals were made after consultation amongst the various members of the commonwealth. The France and Germany star was stablished to recognize specifically the campaign in northwest Europe after the Normandy landing, June 6, 1944; therefore participants in the Dieppe operation, August 19, 1942, did not qualify for the award.

Members of the army and air force and personnel of the navy who were engaged in shore operations were, however, awarded the 1939-45 star for the Dieppe operation only, whereas the normal qualifying time for the 1939-45 star is six months for army and navy personnel and two months for the air force. Special recognition was given to personnel who served at Dieppe as follows:

Victoria Cross, 2; Distinguished Service Order, 19; Military Cross, 29; Distinguisher Conduct Medal 20; Military Medal, 65; Mentioned in dispatches, 150; Total, 285.

PRICES SUPPORT—WHITE BEANS

Mr. White (Middlesex East):

1. How many bushels of white beans are now in possession of the agricultural prices support board, 1948 crop?
2. How many bushels of the 1948 crop has the agricultural prices support board sold?
3. To what countries?
4. What price per bushel was received in Canadian dollars for those sold?

Mr. McCubbin:

1. None.

2. None. The agricultural prices support board did not sell any white beans of the 1948 crop, but the board purchased 38,000 bushels and, under an arrangement made by the Department of External Affairs, shipped them for purposes of Palestine refugee relief at a total cost to the board of $194,419.88.

3. Answered by No. 2.

4. Answered by No. 2.

UNEMPLOYMENT—ESTIMATES OF UNPLACED APPLICANTS—AVAILABILITY OF STATISTICS

Mr. Coldwell:

1. On what day of the week does the government receive a new estimate of the number of unplaced applicants registered at the national employment service?
2. What is the lapse of time between this day and the day on which the information is made available to the public?
3. Have there been any changes in government policy with respect to the availability to the public of unemployment statstics since January 1, 1949?
4. If so, what changes have been made?

Mr. Cote (Verdun-La Salle):

1. Local national employment service offices count the number of live applications for employment in their files on Thursday of each week. Processed data on a national and regional basis are available to the government ten to twelve days later.

2. Data, with figures on unemployment insurance benefits and an analysis of the current situation, are released at the middle and the end of each month, about two weeks after date of local office count.

3. No, except frequency of press releases.

4. See answer to No. 3.

NORTHWEST TERRITORIES—ADMINISTRATION

Mr. Knight:

1. Is there a government board or commission which administers the affairs in the Northwest Territories?
2. If so, by what authority was that board created?
3. Who are its present members?
4. Is there a local board or committee which acts in an advisory capacity to the government board?
5. If so (a) who are its members; (b) what organizations do they represent?

Mr. Prudham:

1. Yes.

2. The Northwest Territories Act authorizes the governor in council to appoint a chief executive officer, to be known as the commissioner of the Northwest Territories, who administers the government of the territories under instructions, from time to time, given by the governor in council or the Minister of Resources and Development. Under authority of section 8 of the act, the governor in council appointed a council to aid the commissioner in the administration of the territories.

3. The present members of the council are the following:

Commissioner: H. L. Keenleyside, deputy minister of resources and development.

Deputy commissioner: Roy A. Gibson, director, development services branch, department of Resources and Development.

Other members: Stuart T. Wood, commissioner, R.C.M.P.; D. M. MacKay, director, Indian Affairs branch, Department of Citizenship and Immigration; Louis C. Audette, Canadian maritime commission; Harold B. Godwin, Department of National Defence; John G. McNiven, Yellowknife, N. W. T.

4. No.

5. Answered by No. 4. However, under the local administrative district ordinance, local trustee boards have been established at Yellowknife and Hay River.

The members of the Yellowknife board are: Chairman: Dr. O. L. Stanton; members: Dr.

J. D. Bateman, E. C. Rudd, John H. Winter, Mervyn A. Hardie, John M. McMeekan, J. Guy Wheeler, Albert Thomas Rivett.

The members of the Hay River board are: Chairman: D. J. Martin; members: Edward R. Osborne, Robert W. Porritt, Mrs. M. Thorsteinson, William Clark.

*UNEMPLOYMENT—PROJECTS PLANNED IN 1945

Mr. Coldwell:

1. Has there been any change in the policy announced by the then minister of reconstruction in April, 1945, in the white paper entitled "Employment and Income"?
2. If so, what changes have been made, and for what reasons?
3. If not, what is the extent of the "shelf of soundly planned projects" referred to on page 16 of the white paper?
4. To what extent have projects from this shelf been used to relieve unemployment?
5. How many men have been employed in such projects?
6. How many men could be employed in the projects at present on the shelf?

Mr. St. Laurent: Mr. Speaker, after this question was placed on the order paper I made a full statement in the house, and the answers are to be found at pages 56, 57 and 58 of *Hansard* for February 20.

Mr. Speaker: Answered.

UNEMPLOYMENT—NUMBER BY PROVINCES AS OF CERTAIN DATES

Mr. Knowles:

What was the total number of unemployed persons in Canada, by provinces, as at (a) July 1, 1948; (b) January 1, 1949; (c) July 1, 1949; (d) October 1, 1949; (e) November 1, 1949; (f) December 1, 1949; (g) January 1, 1950, and (h) February 1, 1950?

Mr. Cote (Verdun-La Salle):

The number of persons registered as looking for work at local national employment service offices, by provinces, at the dates specified are given below:

Province	July 1, 1948	Dec. 30, 1948	June 30, 1949	Sept. 29, 1949	Nov. 3, 1949	Dec. 1, 1949	Dec. 29, 1949	Feb. 2, 1950
Newfoundland	.....	.....	5,400	6,800	7,200	7,700	9,000	14,700
Prince Edward Island	800	1,700	1,100	900	700	1,200	1,900	2,600
Nova Scotia	9,200	10,900	9,100	8,700	9,600	11,600	14,900	20,200
New Brunswick	5,300	8,000	8,100	8,600	8,500	11,600	14,000	17,200
Quebec	29,000	55,900	42,400	43,900	51,900	67,300	88,200	109,300
Ontario	36,700	48,500	41,200	38,200	48,200	61,000	70,200	94,700
Manitoba	7,300	10,100	8,200	6,100	8,600	11,200	13,100	18,200
Saskatchewan	3,900	7,200	4,000	3,200	4,600	6,700	9,200	12,800
Alberta	4,500	6,900	5,200	4,700	6,400	8,100	10,200	16,400
British Columbia	21,900	37,600	22,500	21,900	26,600	34,400	43,300	69,500
Canada	118,600	186,800	147,200	143,000	172,300	220,800	274,000	375,600

PATENTS

Mr. Knowles:

1. How many applications for patents were filed (a) by corporations; (b) by individuals, during 1949?
2. How many applications for patents were filed (a) by corporations; (b) by individuals, during the ten-year period ending December 31, 1949?
3. How many patents were granted (a) to corporations; (b) to individuals, during 1949?
4. How many patents were granted (a) to corporations; (b) to individuals during the ten-year period ending December 31, 1949?
5. How many active patents are owned (a) by corporations; (b) by individuals?

Mr. Bradley:

1. (a) 2,403; (b) 10,569.
2. (a) 12,440; (b) 113,543.
3. (a) 5,989; (b) 2,371.
4. (a) 54,706; (b) 21,090.
5. (a) 97,049; (b) 45,767.

WHEAT—COMMISSIONS ON SALES TO OVERSEAS MARKETS

Mr. Whiteside:

1. Does the wheat board sell wheat to Britain or any European country through the grain exchange?
2. Which companies have been used to put these deals through?
3. What have these companies received in commissions for their services?

Mr. McIlraith:

1. No. In selling wheat the board uses the services of shippers and exporters who in turn may be members of or represented by members of the Winnipeg grain exchange.

2. As stated in the answer to No. 1, there are no wheat deals through the grain exchange. Agents of the board for shipment of wheat via eastern and western outlets are as follows:

Eastern

The Agro Company of Canada Limited

Bunge Corporation Limited

The Canadian Consolidated Grain Company Limited

Cargill Grain Company Limited

Continental Grain Company (Canada) Limited

Federal Grain Limited

Folliott Grain Limited

Questions

Gauer Grain Co. Ltd.
The Grain Growers Export Company Limited
Hallet and Carey Limited
Kerr Gifford & Co. Inc.
Lake of the Woods Milling Company Limited
Leval and Company Incorporated
McCabe Grain Company Limited
Maple Leaf Milling Company Limited
National Grain Company Limited
Norris Grain Company Limited
The Northern Grain Company Limited
The Ogilvie Flour Mills Company Limited
Parrish and Heimbecker Limited
Pethick Grain Limited
Purity Flour Mills Limited
Range Grain Company Limited
Reliance Grain Company Limited
Richardson, James and Sons Limited
Robin Hood Flour Mills Limited
Saskatchewan Pool Elevators Limited
Scottish Co-operative Wholesale Society Limited
Searle Grain Company Limited
Stoddart & Company Limited, K. B.
Toronto Elevators Limited
Western Grain Company Limited

Western

Buckerfield's Limited
Bunge Corporation Limited
The Canada Grain Export Company Limited
Cargill Grain Company Limited
Continental Grain Company
Co-operative Wholesale Society Limited
Earle and Stoddart Limited
Federal Grain Limited
The Grain Growers Export Company Limited
Hall Bryan Limited
Hallet and Carey (B.C.) Limited
Kerr Gifford and Company Incorporated
Leval and Company Incorporated
McCabe Grain Company Limited
Midland Pacific Terminal Limited
Milroy Grain Company Limited
James Richardson & Sons Limited
F. W. Rudolph
Searle Grain Company Limited

3. Where the above-listed companies are used in export sales, a commission which covers an allowance for services rendered in moving the wheat from an in store position at the lakehead to an f.o.b. position at Atlantic seaboard ports of one cent per bushel is included in the sales price of wheat which is delivered to the United Kingdom under the terms of the Canada-United Kingdom agreement or has been sold direct by the board to other buyers. On similar shipments via Pacific coast ports, on which no forwarding services similar to those on grain ex the lakehead are rendered by exporters as board agents, the allowance is at present $\frac{3}{8}$ of a cent per bushel. Prior to January 1, 1950, this allowance was $\frac{1}{2}$ cent per bushel. On similar shipments via Churchill the allowance has been $\frac{1}{2}$ cent per bushel.

In cases where the wheat is sold by exporters or agents themselves, either under the terms and conditions of the international wheat agreement or on a class two basis, the selling commission is a matter of arrangement between the buyer and the board's agent, except that in the case of clearances from Atlantic ports a forwarding allowance of $\frac{1}{2}$ cent per bushel for services rendered in moving the wheat from the lakehead to seaboard position is included in the asking price.

In all cases the commissions follow the wheat and are paid by the buyer.

[Mr. McIlraith.]

CANADIAN NATIONAL RAILWAYS—OWNERSHIP OF MINES IN U.S.

Mr. Low:

1. Is the Canadian National Railways the owner or considerable shareholder in coal mines in the United States?
2. If so, what is the location of the mines?
3. To what financial extent is the Canadian National Railways involved in this ownership of mines or shares in mines in the United States?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. Yes—Rail and River Coal Company.

2. The mine is situated in Belmont county, near Bellaire, Ohio, U.S.A.

3. Capital stock Rail and River Coal Company: 20,000 shares at $100 per share, $2,000,000. Cost to the company, $1,323,000. Advances by the Canadian National Railways to the Rail and River Coal Company for capital expenditures at December 31, 1949, $3,152,187.

INCOME TAX—FARMERS—NEW BUILDINGS, EQUIPMENT, ETC.

Mr. Ross (Souris):

Are farmers allowed income tax exemption on new buildings, equipment or plant expansion on the same basis as is allowed to industries for 1949 or 1950?

Mr. McCann: No. The capital cost allowances in respect of taxpayers other than farmers and fishermen were set out in the

regulations published in statutory orders and regulations (part II of the *Canada Gazette*) of 8th February, 1950.

The capital cost allowances in respect of farmers and fishermen were set out in the regulations published in statutory orders and regulations (part II of the *Canada Gazette*) of 22nd February, 1950.

ROYAL MILITARY COLLEGE

Mr. White (Middlesex East):

1. What was the total expenditure in connection with the Royal Military College in each of the years 1948 and 1949?

Questions

2. What was the cost of (a) pay and allowances for military staff and personnel; (b) civilian staff and salaries; (c) supplies of all and every nature and kind, giving particulars; (d) services, including utilities; (e) maintenance; (f) any other expenditures not hereinbefore specified?

3. How many civilian employees were employed at the above college in each of the said years?

4. How many military personnel were on the staff and establishment of this college in each of the said years?

Mr. Blanchette:

1. September, 1948 (date of reopening) to March, 1949, inclusive, $543,903.55; April, 1949, to January, 1950, inclusive, $863,095.41.

2.	1948-49	1949-50
(a) Pay and allowances	$ 58,728.69	$ 85,235.25
(b) Civil salaries and wages	138,229.01	179,708.73
(c) Equipment, stores and supplies, including clothing and personal equipment, barrack, hospital, camp and miscellaneous equipment and food supplies	168,885.11	171,195.25
(d) Operating expenses of properties	40,887.06	17,622.66
(e) Maintenance and repair	67,484.26	123,252.53
(f) Other expenses	69,689.42	286,080.99
3. Civilian employees	116	93
4. Military personnel	28	26

COAL—RAILWAY SUBVENTIONS ON SHIPMENTS TO ONTARIO AND QUEBEC

Mr. Hansell:

1. How many tons of coal were shipped to eastern Canada, i.e., Ontario and Quebec, from each of the provinces of Saskatchewan, Alberta and British Columbia, during the last year, for which there are complete records?

2. What were the rates paid per ton by way of subventions for coal shipped from each of the provinces?

3. To what transportation companies in each of these provinces was payment made, and what was the total amount to each company?

Mr. McIlraith:

1. The following respective tonnages on which subvention was paid during the calendar year 1949 were shipped to Ontario and Quebec from the following provinces: Saskatchewan, 94,957 tons; Alberta, 334,409 tons; British Columbia, 16,767 tons.

2. The following respective average rates per ton were paid during the calendar year 1949 by way of subvention for coal shipped to Ontario and Quebec from each of the following provinces:

Saskatchewan	Alberta	British Columbia
$0.68	2.17	1.70

3. The following respective subvention payments were made during the calendar year 1949 to the undernoted transportation companies for coal shipped to Ontario and Quebec from each of the following provinces:

	Saskatchewan	Alberta	British Columbia
Canadian National Railways	$19,440	$362,696	Nil
Canadian Pacific Railways	45,493	340,104	$28,430
Northern Alberta Railways	Nil	24,493	Nil

PRINCETON, B.C., AIRPORT

Mr. Jones:

1. Were public tenders called for construction of six staff dwellings for departmental personnel at Princeton airport, British Columbia?

2. If so, from whom were tenders submitted?

3. What was the amount of each tender?

Mr. Chevrier:

1. Yes.

2. A. G. Turner and R. B. Sauder, Vancouver, B.C.; Dominion Construction Company Limited, Vancouver, B.C.; Kenyon and Company Limited, Penticton, B.C.; A. R. Grimwood Limited, Vancouver, B.C.

3. A. G. Turner and R. B. Sauder, $69,156.95; Dominion Construction Company Limited, $79,469.75; Kenyon and Company Limited, $86,609.00; A. R. Grimwood Limited, $91,145.50.

Questions

REQUESTS FOR PENSIONS FOR INCURABLES

Mr. Knowles:

1. Have representations been made to the government, at any time since January 1, 1949, calling for a program of pensions and other provisions for incurables?
2. If so, from whom have such representations been received?
3. Has consideration been given to such representations?
4. If so, what is the result of such consideration?

Mr. Martin:

1. Yes.

2. Mr. L. Bertrand, M.P.—Resolution, orders of the day, House of Commons.

Shut-Ins Day Association of Canada, Goderich, Ontario.

Cerebral Palsy Adult Association, Toronto, Ontario.

Canadian Association of Incurables, Calgary, Alberta.

The Good Will Club, Muenster, Saskatchewan.

Council of the Township of Rainham, Selkirk, Ontario.

Canadian Welfare Council, Ottawa, Ontario.

Council for Guidance of Handicapped, Vancouver, British Columbia.

Society for Crippled Civilians, Toronto, Ontario.

Municipal Council of Galt, Galt, Ontario.

Handicapped Civilians Association, Moose Jaw, Saskatchewan.

Board of Trade, Bow Island, Alberta.

The Shut In Friends Association Inc., Toronto, Ontario.

Council of the City of Stratford, Stratford, Ontario.

Ratepayers of the Municipal District of Forty Mile No. 12, Foremost, Alberta.

Belvedere Women's Institute, Sherbrooke, P.Q.

Muenster Co-Op. Association, Muenster, Saskatchewan.

Farmers' Union of Alberta, Edmonton, Alberta.

In addition to the above, numerous letters have been received from individuals, particularly during February, 1949, in connection with a "letter to Ottawa week" sponsored by the Canadian Association of Incurables.

3 and 4. The whole subject is under continual study and review. In this connection it is to be noted particularly that a conference on rehabilitation of handicapped persons has been announced and is to be held in the near future to consider all aspects of this problem.

H.M.C.S. "MAGNIFICENT"—FUMIGATION

Mr. Brooks:

1. Was the H.M.C.S. *Magnificent* fumigated by contract during 1949?
2. If so, who was the contractor?
3. What was the amount paid?
4. Were tenders invited for this work?
5. If so, what are the names of those who tendered, and amount of each?
6. What is the cubic capacity of area fumigated?
7. What fumigant was used and how much?

[Mr. Chevrier.]

Mr. Blanchette:

1. Yes.

2. W. E. Mackie Ltd., Halifax, N. S.

3. $1,500.

4. Time did not permit calling for sealed tenders but verbal tenders were called.

5. W. E. Mackie Ltd., Halifax, and Scotia Pest Control, Halifax, were invited to tender, but the only tender received was from W. E. Mackie Ltd.

6. 2,700,000 cubic feet (complete fumigation).

7. Hydrogen cyanide; 361 forty-ounce tins.

UNEMPLOYMENT INSURANCE—APPLICATIONS, ETC., DECEMBER, 1949, AND JANUARY, 1950

Mr. MacInnis:

1. How many persons were in receipt of unemployment insurance during the months of December, 1949 and January, 1950?
2. How many persons made application for unployment insurance during the months of December, 1949 and January, 1950?
3. How many persons had exhausted their unemployment insurance benefits in the months of December, 1949 and January, 1950?
4. How many persons making application for unemployment insurance in the months of December, 1949 and January, 1950, were not eligible for benefits?

Mr. Cote (Verdun-La Salle):

1. This information is not compiled by the month, but is available for a given week as follows:

For the week December 10 to 16, 1949, 125,-225; for the week January 28 to February 3, 1950, 218,963.

2. The number of initial and renewal claims for the month of December 1949 was 139,406; for the month of January 1950, 182,053.

3. The number of persons exhausting their unemployment insurance benefits for the month of November 1949 was 7,029. (December and January figures not yet available).

4. December, 1949, 22,404; January, 1950, 31,039.

UNITED STATES BASES IN NEWFOUNDLAND

Mr. Higgins:

1. Has any new agreement been reached with the United States respecting the United States bases in Newfoundland, arising out of the visit of the United States-Canadian joint defence board to Newfoundland?
2. If so, what is the agreement?

Mr. Pearson:

1. No.
2. Answered by No. 1.

Questions

SHAUGHNESSY HOSPITAL, VANCOUVER

Mr. MacInnis:

Who were the successful tenderers and at what price for each item in the call for tenders No. 1162, December 28, 1949, by the Shaughnessy hospital in Vancouver?

Mr. Mutch:

Item No. 1: Kavanagh Soap Co.; $6.10 per 50 lb. bag; terms one per cent discount, 15 days.

Item No. 2: Western Soap Co.; $3.50 per 40 lb. bag; terms net, 30 days.

Item No. 3: Western Soap Co.; $5.00 per 50 lb. pail; terms net, 30 days.

Item No. 4: Kavanagh Soap Co.; $4.70 per 50 lb. case; terms one per cent discount, 15 days.

ESQUIMALT, B.C., NAVAL STATION—TENDERS FOR SUPPLY OF SOAP

Mr. MacInnis:

Who were the successful tenderers, and at what price for each item, in the call for tenders R.33-23-34 (4), 33-23-34 (3), December 29, 1949, by the Canadian Commercial Corporation for supplies for the navy at Esquimalt, British Columbia?

Mr. McIlraith:

There are no tender numbers R.33-23-34 (3) and R.33-23-34 (4), but there are tender numbers R.33-29-34 (3) and R.33-29-34 (4), for soap required by the navy at Esquimalt, B.C.

The successful tenderers:

R.33-29-34 (3) Kavanagh Soap Co. Ltd., North Vancouver, B.C.; 10,000 pounds of soft soap at $0·1015 per pound.

R.33-29-34 (4) Hygiene Products Ltd., Ottawa, Ont.; 1440 cakes toilet soap at $0.08 each; Kavanagh Soap Co. Ltd., North Vancouver, B.C.; 100 gallons of liquid toilet soup at $0.88 per gallon.

TRADE WITH SPAIN

Mr. Hansell:

1. Does any trade agreement exist between Canada and Spain?
2. What was the value of Canadian exports, if any, to Spain during each of the years 1948 and 1949?
3. What was the value of imports to Canada from Spain, if any, during each of the years 1948 and 1949?

Mr. McIlraith:

1. Yes. A treaty of commerce and navigation between the United Kingdom and Spain, signed October 31, 1922 (revised April 5, 1927), providing for exchange of most-favoured-nation treatment in tariff matters, was accepted on behalf of Canada by the Spanish Treaty Act, 1928, Statutes of Canada, 18-19 George V, chapter 49.

2. Year 1948, $596,118; 1949, $387,037.

3. Year 1948, $2,586,163; 1949, $2,426,617.

H.M.C.S. "STADACONA"—FUMIGATION

Mr. Brooks:

1. Were any buildings at H.M.C.S. *Stadacona* fumigated by contract during 1949?
2. If so, who was the contractor?
3. What was the amount paid?
4. Were tenders invited for this work?
5. If so, what are the names of those who tendered, and amount of each?
6. What is the cubic capacity of area fumigated?
7. What fumigant was used, and how much?

Mr. Blanchette:

1. No.

2 to 7. Answered by No. 1.

BONAVENTURE, QUE., FISHERMEN'S WHARF

Mr. Courtemanche:

1. Were tenders called in 1949 for the construction or extension of the fishermen's wharf at Bonaventure, Bonaventure county?
2. If so, what are the names of those who tendered, and the amount of each tender?
3. Who was awarded the contract, and at what price?
4. Was the contractor paid any extras over and above the contract price?
5. If so, in what amount?
6. Who supervised this work, and on what date was he appointed?
7. What daily rate was paid him, and what total amount did he receive?

Mr. Fournier (Hull):

1. Yes, for the extension of the fishermen's wharf.

2. Fortunat Bernard & Arthur Bujold, $15,306.50; Julien Cavanagh, $15,709.50; J. Romeo Allard, $16,490.

3. Fortunat Bernard & Arthur Bujold, $15,306.50.

4. No.

5. Answered by No. 4.

6. (a) Achille Raymond; (b) January 12, 1950.

7. (a) $8 a day; (b) $136 for period January 12-31, 1950. (Work not yet completed.)

INCOME TAX DEPARTMENT—RADIO ADVERTISING

Mr. Fraser:

1. During the year 1949, did the income tax department use the radio for announcements, advertising, or otherwise?
2. If so, what was the total amount spent by the income tax department for this purpose during 1949?
3. Is the income tax department engaging the radio for this purpose during the year 1950?
4. If so, what is the estimated cost for the months of January, February and March, 1950?

Mr. McCann:

1. The taxation division, Department of National Revenue, conducted a nation-wide radio advertising campaign during 1949, at a cost of $8,609.73, for the purpose of:

(a) urging taxpayers to file their income tax returns early and avoid the penalty for late filing;

(b) inviting taxpayers to visit their district income tax office in order to obtain assistance in preparing their returns.

The taxation division is conducting a similar radio advertising campaign in 1950, and the estimated cost thereof, as at 31st March, is $12,000.

2. Answered by No. 1.

3. Answered by No. 1.

4. Answered by No. 1.

*GOVERNMENT CONTRACTS—RECOMMENDATIONS BY MEMBERS OF PARLIAMENT

Mr. Knowles:

1. In connection with how many government contracts let during each year since January 1, 1945, by provinces, have the contractors awarded the same engaged any of their employees for work on said contracts after receiving recommendations from members of parliament?

2. To whom was each such contract awarded, what was the contract for and what was the amount thereof?

3. During each year since January 1, 1945, by provinces, how many persons have been appointed to positions in the government service, permanent or temporary, after receiving recommendations from members of parliament?

4. How many were so appointed at Ottawa?

5. During each year since January 1, 1945, by provinces, how many persons have been appointed postmasters or mail couriers after receiving recommendations from members of parliament?

6. How many government contracts let during each year since January 1, 1945, by provinces, have been awarded after receiving recommendations from members of parliament?

7. To whom was each such contract awarded, what was the contract for and what was the amount thereof?

8. During each year since January 1, 1945, by provinces, how many properties were purchased, and how many premises were rented, by the federal government or any department or branch thereof, after receiving recommendations from members of parliament?

Mr. St. Laurent: I think I should answer this question orally. I do not think any member of the government would pretend that members of parliament on both sides of the house do not make representations from time to time about contracts, about appointments, and even about men who might be employed by those who have obtained contracts. But such representations have no official character, and do not appear in any official records. From the rumours which reach me from time to time I have gathered the impression that some hon. members, at least on this side of the house, are not always satisfied with the attention that is paid to their recommendations—

Some hon. Members: Hear, hear.

Mr. St. Laurent:—by ministers or deputy ministers or even by the civil service commission. I think all hon. members will realize that inquiries of the ministry can be answered only by reference to official documents; and the correct official reply to this question must be that the information requested is not available.

Mr. Speaker: Answered.

BONAVENTURE WEST, QUE., HARBOUR PROTECTION FACILITIES

Mr. Courtemanche:

1. What amount was spent for repairs to the protection facilities at Bonaventure West, county of Bonaventure, from December, 1949, to February 15, 1950?

2. Who was the supervisor or foreman of such work?

3. What daily rate was paid to him, and what total amount did he receive?

Mr. Fournier (Hull):

1. $3,994.99.

2. Phocas Bernard.

3. (a) $8; (b) $304.

KLAUS EMIL JULIUS FUCHS

Mr. Gagnon:

1. Was Klaus Emil Julius Fuchs interned in Canada? If so, on what date?

2. Was he released? If so, on what date, and for what reasons?

Mr. Blanchette:

1. Klaus Emil Julius Fuchs was interned in the United Kingdom on 12th May, 1940. He was sent to Canada by the United Kingdom and interned at their request in a Canadian internment camp on 13th July, 1940.

2. On 17th December, 1940, he was returned to the United Kingdom at the request of the authorities there.

TRADE WITH GERMANY

Mr. Catherwood:

1. Has the Department of Trade and Commerce given consideration to extending our commercial representation in Germany with a view to the possibility of extending our trade with that country? If so, to what extent?

2. What was the value of our exports to that country in 1949?

3. What was the value of our imports from Germany in 1949?

Mr. McIlraith:

1. Yes. An officer of the Department of Trade and Commerce was first appointed to Germany on February 14, 1947, and an assistant was assigned to him in July, 1949. The officer at present in charge of this post is now, in accordance with the standard policy, due to be moved to another post, and he will be replaced by an officer with more seniority.

2. $23,451,452.

3. $ 7,134,030.

NATIONAL DEFENCE—HAND GRENADE EXPLOSION NEAR CAMP BORDEN

Mr. Fraser:

1. Has the Department of National Defence investigated death and injuries of children near Camp Borden caused by hand grenade explosion during the first week in January, 1950?
2. Have live hand grenades been used by defence department at Camp Borden since 1945?
3. If so, is a check kept on these grenades, as to number issued, and number exploded?
4. Is ground where grenades are used checked after each exercise in order to see if all grenades are exploded?
5. If accident bomb which caused death to children in January, 1950, near Camp Borden came from the camp, is the government paying damages, etc.?

Mr. Blanchette:

1. Yes.

2. Yes, on grenade ranges within the confines of the camp.

3. Yes.

4. Yes. All grenades used are accounted for either as exploded or returned.

5. The investigation carried out did not reveal any facts which would indicate that the grenade which exploded could have come from Camp Borden. The question of damages therefore does not arise.

WAR VETERANS ALLOWANCES—BRITISH COLUMBIA

Mr. Goode:

1. How many veterans in British Columbia were recipients of the war veterans allowance on December 31, 1949?
2. How many of these were receiving the extra $10 per month?

Mr. Mutch: Return at December 31, 1949. The figures relate to the territory under the jurisdiction of the Vancouver district office of the department, and do not relate to the small portion of British Columbia which lies within the Edmonton district.

1. 6,390.

2. Married veterans, or widowers or divorced veterans with a child or children, receiving $15 a month: 153.

Single veterans receiving $10 a month: 123.

Figures do not include 921 veterans who have been assisted from the assistance fund (W.V.A.) up to December 31, 1949 but who have been helped by (a) a lump sum payment; (b) a monthly payment which had ceased prior to December 31, 1949; (c) a monthly payment, in payment at December 31, 1949 at a rate dependent on need other than $10 or $15 a month.

INDIANS AND ESKIMOS—HEALTH PROGRAM

Mr. Dewar:

1. What facilities and staff are now available for the care of the health of the Indian and Eskimo population?
2. What are the most outstanding effects of the improved health facilities and care which are now available to the Indian and Eskimo population?
3. What aspects of the Indian health program have been of particular value in the campaign against tuberculosis and other preventable diseases?
4. Has a new Indian hospital recently been opened at Sioux Lookout, Ontario?
5. If so (a) how many Indians will it serve; (b) what territory will it serve; (c) how many patient beds will it provide; (d) how many persons are on the staff of the hospital?

Mr. Martin:

1. The Indian and Eskimo population is served by 21 Indian health service hospitals, strategically located across Canada, and by a widely dispersed system of 35 outpost nursing stations.

Indian health services staff numbers 1,000 persons, including 60 medical officers, 5 dental surgeons, 65 graduate nurses in the field and 125 nurses in departmental hospitals.

In addition over 900 doctors and dentists serve part time. In areas where the facilities of the directorate of Indian health services are not available, Indian and Eskimo patients are cared for, under arrangements made by the directorate, in hundreds of hospitals and sanatoria across Canada.

2. The tuberculosis death rate amongst the Indians and Eskimos has been drastically reduced since 1944—by 40 per cent.

Sharp declines are also taking place in other communicable diseases, such as diphtheria, whooping cough, smallpox, typhoid, etc.

3. (a) Greatly increased hospital facilities—nine times as many Indian patients are now being given hospital care as were nine years ago; (b) large increase in hospital and field staffs; (c) active participation by all Indian health services field officers in immunization campaigns against diphtheria and other preventable diseases; (d) a very active program for case-finding of tuberculosis among the Indians—over 70 per cent of the Indian population were X-rayed in 1949.

4. Yes.

5. (a) over 5,000 Indians; (b) over 100,000 square miles, extending east to Nakina, west to the Manitoba border and north to Hudson bay; (c) 65; (d) 30.

CONSTRUCTION OF DAMS, MANITOBA

Mr. Winkler:

1. What was the cost of (a) the dam on the Pembina river at the east end of Rock lake in Manitoba; (b) the dam or dams on the river at Carman, Manitoba, variously known as the Boyne or the Morris river?
2. How many acre feet are stored in each case?

Mr. McCubbin:

1. (a) and (b) combined: Construction, $17,216; land, $4,985; total, $22,201.

2. (a) 75 acre feet; (b) 200 acre feet.

Questions

CANADA LAND AND IRRIGATION COMPANY—EMPLOYEES' PENSION PLAN

Mr. Hansell:

1. Has the purchase of the Canada Land and Irrigation Company been completed?
2. Did the Canada Land and Irrigation Company have a pension plan for its employees?
3. Is this pension plan still in operation, and has the government considered continuing payment to pensioners?
4. How many employees are now receiving pension payments?

Mr. McCubbin:

1. No; general agreement has been reached with the company, and exact terms are now being drafted with the expectation that final execution will take place in the near future.
2. It is understood that the Canada Land and Irrigation Company has a pension plan for some of its employees, but the government has no detailed information about it.
3. (a) No information. (b) No.
4. No information.

WAR VETERANS ALLOWANCES—BRITISH COLUMBIA

Mr. Pearkes:

1. How many veterans in British Columbia are in receipt of war veterans allowances?
2. Of these, how many receive additional payments under the special war veterans assistance?

Mr. Mutch:

Return as at December 31, 1949. The figures relate to the territory under the jurisdiction of the Vancouver district office of the department, and do not relate to the small portion of British Columbia which lies within the Edmonton district.

1. 6,390.

2. Receiving monthly payments under assistance fund (W.V.A.): 880. This figure does not include 317 veterans who have been assisted from the assistance fund (W.V.A.) up to December 31, 1949 but who have been helped by (a) a lump sum payment; (b) a monthly payment which had ceased prior to December 31, 1949.

MERCHANT NAVY VETERANS—CORRESPONDENCE COURSES

Mr. Pearkes:

1. Are correspondence courses available to veterans of Canada's wartime merchant navy?
2. If so, in what subjects are such courses given?
3. What educational standards are required of the students before acceptance for such courses?

Mr. Mutch:

1. Yes, provided that the former merchant seaman is resident in Canada and received, or was eligible to receive, a bonus under the merchant seamen special bonus order or the merchant seamen war service bonus order, 1944.

[Mr. McCubbin.]

2. Courses are available in each of the seventy-four subjects formerly provided by the Canadian Legion educational services, including elementary courses in reading, writing and spelling; complete courses in junior and senior matriculation; commercial courses in bookkeeping and shorthand; and technical and vocational courses in such subjects as agriculture, gardening, automotive and diesel engines, electricity and sheet metal work.

3. There are no prescribed educational standards for enrolment in such courses.

IMMIGRATION—GERMAN NATIONALS

Mr. Hansell:

Has any change been made in regulations respecting immigration of German nationals to Canada since the minister's announcement on September 26, 1949?

Mr. Harris (Grey-Bruce): No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC WORKS—AMOUNT VOTED AND NOT EXPENDED

Mr. Knowles:

1. How much money voted for public works in the fiscal years ending in 1946, 1947, 1948 and 1949, by provinces, was not expended?
2. In each instance noted above, how much was revoted in subsequent years, but still not expended?
3. How much money voted for public works for the fiscal year ending March 31, 1950, by provinces, has not yet been expended?

DILLON-BULL'S HOUSE, SASK., TELEGRAPH LINE

Mr. Coldwell:

1. Has parliament voted any money for the construction of a telegraph and/or telephone line between Dillon and Bull's House in Saskatchewan?
2. If so, when was the money voted and what was the amount?
3. Were tenders called for the construction work or any phase of it?
4. If so, what were the estimates of each of those who placed tenders?
5. Who secured the contract and what were the terms?
6. When was the construction work begun?
7. When was it completed?
8. What is the exact length of the line?
9. What rate per mile was paid?
10. When was this rate approved by the government?

UNEMPLOYMENT—REQUESTS FOR ASSISTANCE

Mr. Coldwell:

1. Has the government received requests from any provinces or municipalities for assistance in meeting unemployment relief costs since January 1, 1950?
2. If so, from what provinces and what municipalities have these requests been received?
3. What reply or replies has the government given to these requests?

ROYAL COMMISSION ON ARTS, SCIENCES AND LETTERS

Mr. Pouliot:

1. Since the establishment of the royal commission on national development in the arts, letters and sciences (Massey commission), what amounts have been paid to each member of the said commission, to each member of its staff and to each expert in its employ for (a) salaries; (b) travelling expenses; (c) living allowances, and (d) compensation, bonus or indemnity?
2. What was the total cost of the said commission for the above-mentioned period?

I shall be satisfied to have this question answered privately.

Mr. St. Laurent: I had intended to ask that this be made an order for return. Since others may be interested in the information I have the return ready to table, and I can give my hon. friend a copy immediately so that he will have the information.

Mr. Pouliot: Thank you.

Mr. Speaker: Order for return, now tabled.

PRICES SUPPORT—AGRICULTURAL PRODUCTS

Mr. Wright:

1. What agricultural products have been supported by the Agricultural Prices Support Act?
2. What was the price and method used in each case?
3. What amount of each product came into the possession of the government?
4. What amount of each product remained in the possession of the government on February 15, 1950, or the latest available date?

IMMIGRATION—COSTS OF TRANSPORT, ETC., SINCE 1945

Mr. Gagnon:

1. How many refugees and immigrants have entered Canada from September 1, 1945 to December 31, 1949?
2. What was the cost to the government of recruiting, transporting and establishment of such refugees and immigrants to their place of destination?

CUTTING OF TIMBER ON INDIAN RESERVES AND CROWN LANDS

Mr. Wright:

1. Were tenders called for by the dominion government or any agency thereof for the cutting of timber or other forest products on Indian reserves and/or national park areas in the province of Saskatchewan in the years 1947, 1948 and 1949?
2. If so, who were the successful tenderers and for what amounts?
3. What amounts of lumber, pulp or other forest products were cut on Indian reserves, national park areas or other dominion controlled land in the province of Saskatchewan in the years 1947, 1948 and 1949?

UNEMPLOYMENT—"CRITICAL PERCENTAGE"—INFORMATION TO PRESS

Mr. Knowles:

1. By what means is the working force of Canada determined?
2. By what means is the "critical percentage" of unemployment arrived at (a) for Canada as a whole; (b) for specified areas, and by whom is said "critical percentage" determined?
3. Are local officers of the unemployment insurance commission required to clear with Ottawa before giving information to the press regarding unemployment?
4. If so, when was this requirement first made effective, and by whom?

UNEMPLOYMENT—PUBLIC WORKS PROJECTS

Mr. Knowles:

1. Has the government received from employment committees of the unemployment insurance commission at any time since January 1, 1949, any recommendations concerning public works projects?
2. If so, what action has been taken thereon?
3. What federal public works projects have been undertaken in order to relieve unemployment since September 1, 1949?
4. What number of persons have been employed thereon?
5. How much money has been spent thereon?
6. To whom have contracts for such works been awarded?
7. In what areas have such works been undertaken?

UNEMPLOYMENT INSURANCE BENEFITS

Mr. Knowles:

1. What is the total number of unemployed persons in Canada at the present time?
2. How many persons are now receiving unemployment insurance benefits?
3. What is the average amount these persons are receiving?
4. How many persons exhausted their benefits between October 1, 1949, and February 28, 1950?
5. How many of these will qualify for supplementary benefits as from March 1, 1950?
6. For what average number of days will these persons qualify for such supplementary benefits?
7. How many unemployed persons who applied for benefits between October 1, 1949, and February 28, 1950, found they had not sufficient contributions to qualify?
8. How many of these will qualify for supplementary benefits as from March 1, 1950?
9. For what average number of days will these persons qualify for such supplementary benefits?

Mr. MacInnis:

How many persons in receipt of unemployment insurance benefits in each of the months of November and December, 1949, and January, 1950, exhausted their benefits before finding employment?

MOTIONS FOR PAPERS

UNEMPLOYMENT INSURANCE—MONTHLY REPORT ON CLAIMS—MAILING LIST

Mr. Coldwell:

For a copy of the mailing list for the publication entitled, "Unemployment insurance commission cumulative monthly report on claims for insurance benefit", as it stood on August 1, 1949, and as it stood on February 1, 1949, together with a statement showing the reasons for any changes made between these two dates.

DILLON-BULL'S HOUSE, SASK., TELEGRAPH LINE

Mr. Coldwell:

For a copy of all correspondence, telegrams, documents and other papers passing between Mr. L. M.

Marion and the Department of Transport, any minister of the crown, and any official or employee of the government, from January 1, 1947, to date, with respect to the construction of a telegraph and/or telephone line between Dillon and Bull's House in Saskatchewan.

BONAVENTURE WEST, QUE., HARBOUR PROTECTION FACILITIES

Mr. Courtemanche:

For a copy of all payrolls and a statement showing the amount and cost of materials used in connection with the repairs to the protection facilities of Bonaventure West, county of Bonaventure, from December, 1949, to February 15, 1950.

UNEMPLOYMENT INSURANCE—INSTRUCTIONS TO OFFICES

Mr. Knowles:

For a copy of all directives and instructions issued to unemployment insurance offices, since January 1, 1949, having to do with the handling of unemployment, including ways and means of dealing with applications for unemployment insurance benefits; advice as to the meaning of the words "suitable employment"; any special directives or instructions with reference to displaced persons, and any other related matters.

Mr. Cote (Verdun-La Salle): Mr. Speaker, will the hon. member allow this motion to stand until the next sitting? Frankly, I should like to study it in order to ascertain to what extent we can meet the request.

Mr. Knowles: In consenting to the request that the matter stand, I suggest that the parliamentary assistant look back at the records of 1945 and 1946, where he will find that a similar request was eventually met.

Mr. Speaker: Motion stands.

UNEMPLOYMENT INSURANCE—REPORTS TO COMMISSION

Mr. Knowles:

For a copy of all reports made to the unemployment insurance commission and/or to the Minister or Deputy Minister of Labour, dated since September 1, 1949, having to do with the unemployment situation.

Mr. Cote (Verdun-La Salle): The construction we have to place on this motion clearly indicates that it has to do with strictly interdepartmental matters. Upon that ground it would be impossible for us to agree to the passing of the motion as it stands. If the hon. member has something else in mind, or if he would be satisfied with the tabling of communications to or from any external source, we would agree to the amending of the motion, and the passing of it as amended.

Mr. Knowles: Will the parliamentary assistant permit the matter to stand until we can discuss it as well as the previous motion, to which it is related?

Mr. Speaker: Motion stands.

[Mr. Coldwell.]

NATIONAL DEFENCE

REFERENCE TO ADDRESS OF GENERAL MCNAUGHTON TO CANADIAN GEOGRAPHICAL SOCIETY

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): I should like to answer a question asked by the leader of the opposition on Monday, about a speech delivered by General McNaughton to the Canadian Geographical Society. I had told him that I had not had an opportunity of reading the text of this speech. Since then I have been able to do so and to discuss it with my colleague the Minister of National Defence (Mr. Claxton). I am now prepared to answer the question.

Hon. members will recall that the question read as follows:

> . . . whether the speech made by General A. G. L. McNaughton to the annual meeting of the Canadian Geographical Society in Ottawa on Friday, February 24, was authorized by the Department of National Defence or any other department of the Canadian government. Whether authorized or not, does the government now approve the statements contained in that speech?

There was no official authorization, because the occasion did not call for any official authorization. For some time General McNaughton has been a member of the Canadian Geographical Society. He was speaking to the fellows of that society, and stated in express terms that he was giving them his personal opinion, as appears at page 19 of his text:

> I would emphasize that what I have to say represents my personal opinions alone.

Nevertheless I read with a great deal of interest, as I am sure the hon. member did, the text of the speech. After doing so, and discussing it with my colleague the Minister of National Defence, I have to say that we are in full agreement with the views General McNaughton expressed on that occasion.

The leader of the opposition directed my attention particularly to one paragraph which reads as follows:

> It is on the peaceful aspects of co-operation, current and long term, that I feel that emphasis should be placed in the organization and functions of the commonwealth—much more so, perhaps, than on the commonwealth as an arrangement for the collective security of its members, which by itself under existing circumstances and present dangers it is not well adapted to undertake. In this connection, with the entry of Newfoundland into confederation we have assumed full responsibility for the solution of the significant problems of the defence of our Atlantic seaboard.

That last sentence, of course, is a statement of fact. That part of our Atlantic seaboard has now become a part of Canada, and it is our primary responsibility to defend our own shores. I believe that paragraph has to be considered with the rest of the text. So

that it may be understood, I believe the part of the text of which that is one paragraph should be placed on the record.

General McNaughton had been discussing the operations of the permanent joint board on defence; the simultaneous declaration about defence made in this house and in Washington, by my predecessor, as prime minister, and the President of the United States in February, 1947; and the establishment in April, 1948, of the joint United States-Canada industrial mobilization committee. He described how they functioned, and then went on:

With these provisions for the free and intimate discussion of defence matters which are of mutual concern to Canada and to the United States, and for their orderly conduct, no one in either of our countries, or in any other country, need fear that any of the precautions essential to the security of North America are being neglected.

As I have said, Canada, like the United States, is fully aware that its security does not rest on the protection of the territory of that continent alone. We realize that this requires continued association with other peoples of good will, who, like ourselves, are devoted to the cause of peace.

In the first place there is the commonwealth. In addition to being a nation of the American continent, and now a member of the Atlantic pact, Canada is also a member of the commonwealth, and she holds to that association with all the firm conviction which has marked the course of our history since early times. She holds to that association as a nation in her own right, exercising full sovereign powers, and happy to co-operate in all matters which make for peace and orderly progress in the commonwealth and in the world.

There are some who may see a difficulty in reconciling our position as a nation on the American continent with our membership in the commonwealth; others may be still further disturbed as to our relation to the commonwealth in consequence of our entry into an Atlantic pact, but I do not share these anxieties.

In the first place, I believe that fundamentally the real interests of the member nations of the commonwealth are very close to those of the United States and likewise to those of the democratic countries of Europe now associated in the Atlantic pact. We all stand firmly for peace, for individual freedom and for democracy as the proper form of government. In the second place, I think we are a practical people ready to deal with each question as it arises on its merits and on the basis of the facts. We see no reason for conflict in interest, and every reason for co-operation between the commonwealth and the United States and with western Europe, and you can be quite sure, with our deep concern for the welfare of each of these great associations of peoples with whom we are so intimately linked, we in Canada will devote ourselves on every occasion to promoting unanimity in view.

Then the paragraph to which reference was made follows:

It is on the peaceful aspects of co-operation, current and long term, that I feel that emphasis should be placed in the organization and functions of the commonwealth—much more so, perhaps, than on the commonwealth as an arrangement for the collective security of its members, which by itself under existing circumstances and present dangers it is not well adapted to undertake. In this connection, with the entry of Newfoundland into confederation we have assumed full responsibility for the solution of the significant problems of the defence of our Atlantic seaboard.

I believe that is in line with the policy that has been expressed over the years, not only by the members of this government but by representatives of the other commonwealth nations. We do not regard the commonwealth as a defence alliance. As a matter of fact, unfortunately under present conditions and dangers it is not the fitting organization to provide adequate security for each of its members. That was clearly expressed by my predecessor in an address which he delivered to the members of both houses of parliament of the United Kingdom on May 11, 1944, from which I would merely quote these short paragraphs:

Like the nations of which it is composed, the British commonwealth has within itself a spirit which is not exclusive but the opposite of exclusive. Therein lies its strength. That spirit expresses itself in co-operation. Therein lies the secret of its unity. Co-operation is capable of indefinite expansion. Therein lies the hope of the future.

It is of the utmost importance to the commonwealth that there should continue to be the greatest possible co-operation among its members. In like manner it is, I believe, of the utmost importance to the future of mankind that, after the war, there should be the greatest possible co-operation among the nations of the world.

Our wartime co-operation is not the product of formal institutional unity; it is the result of agreement upon policies of benefit to all. Moreover, they are policies that make an appeal "to all sorts of men in all sorts of countries," provided only they are men of good will.

If, at the close of hostilities the strength and unity of the commonwealth are to be maintained, those ends will be achieved not by policies which are exclusive, but by policies which can be shared with other nations. I am firmly convinced that the way to maintain our unity is to base that unity upon principles which can be extended to all nations. I am equally sure that the only way to maintain world unity is to base it upon principles that can be universally applied.

The war has surely convinced all nations, from the smallest to the greatest, that there is no national security to be found in the isolation of any nation or group of nations. The future security of peace-loving nations will depend upon the extent and effectiveness of international co-operation.

That has been repeated time and again by members of this government. As I read General McNaughton's speech, it is an able and well-expressed statement of the same views.

FREIGHT RATES

APPLICATION OF RAILWAYS FOR INCREASE—DECISION OF BOARD OF TRANSPORT COMMISSIONERS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Minister of Transport. For the information of members will he table the decision reached by the

board of transport commissioners on the application of the railways for an increase in freight rates? May I also couple with that request a suggestion to the government that, rather than dealing with this matter on going into supply, an arrangement be made by which members of the house may have an opportunity of discussing the decision before the rates go into effect? This is a most important matter.

Hon. Lionel Chevrier (Minister of Transport): With reference to the first part of the hon. gentleman's question, may I say that it has not been the practice to table the judgment of the court, because hon. members can get it from the secretary of the board of transport commissioners. If that is the wish of the house, however, it can be done quite easily.

With reference to the second part of the hon. gentleman's request, I should think that to grant it would be interfering with the judgment of the court. In the past the government has taken the position that it should not interfere with the ordinary process of law or with judgments of the courts. If any parties are aggrieved, they have their rights within the purview of the Railway Act.

Mr. Coldwell: May I ask a supplementary question? In view of the serious results which may follow the increase in the rates now permitted, and in view of the supremacy of this parliament, will the government not allow, by agreement, a discussion in this house before the rates go into effect?

Right Hon. L. S. St. Laurent (Prime Minister): I am sure, Mr. Speaker, that the question was not intended to be taken in any critical way. The government does not feel that it allows or disallows discussion in the house. The house is mistress of its own procedure and its own discussions. If I am to take the question to be this: Will the government endeavour to facilitate an opportunity, under the rules of the house, for discussion of the matter—

Mr. Coldwell: That is right.

Mr. St. Laurent: If under the rules it can be discussed, we shall be glad to look into it. As I have stated on one or two previous occasions, it was our intention to call each department early so that on one day there can be discussion on everything that concerns it. The Department of Transport is one of the next to be entered into committee of supply. But if it cannot be reached early enough to serve the desired purpose, we shall endeavour to see whether some other opportunity cannot be found that would enable the members to engage in any discussion about railway matters that would be proper under the rules of the house.

Mr. Coldwell: I want to thank the Prime Minister. My wording of the question was perhaps unfortunate, but the manner in which he took it was precisely the manner in which I intended it.

CANADIAN NATIONAL RAILWAYS

REDUCTION IN PASSENGER TRAIN SERVICES—RAILWAYS AND SHIPPING COMMITTEE

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I should like to direct a question to the Minister of Transport. Will he take into consideration the advisability of setting up the committee on government-owned railways for the purpose of discussing the present disruption of service on the Canadian National Railways?

Hon. Lionel Chevrier (Minister of Transport): I presume the hon. gentleman refers to the committee on railways and shipping.

Mr. Gillis: Yes.

Mr. Chevrier: In his question he referred to government-owned railways.

Mr. Gillis: "Railways and shipping" is right.

Mr. Chevrier: If the hon. member refers to the committee on railways and shipping, and if his question is whether the government will give consideration, the answer is that of course it will. But I should point this out to him. The purpose of the committee on railways and shipping is to consider the annual budget of the Canadian National Railways, the annual report of the Canadian National Railways, the report of the Canadian National Railways securities trust, the report of Trans-Canada Air Lines, and the like. Until those reports are ready, it is useless to establish the committee. In view of my hon. friend's interest, and, I am sure, the interest of the house, I will ask the officers of the Canadian National Railways to hasten the report so that we may proceed with its establishment as quickly as possible.

Mr. Graydon: When was that report brought down last year?

Mr. Chevrier: Certainly not before April. I am speaking now from memory, but I am sure not in the month of March. My recollection is that at no time since 1945 has the committee been established before April. I say that subject to correction, however.

Mr. MacInnis: May I ask a supplementary question? I understand that certain items in

the estimates are referred to the committee on nationally-owned railways. Could not the committee be set up and these items referred to it, and then perhaps the matters referred to by the hon. member for Cape Breton South could be discussed under that heading?

Mr. Chevrier: Following what I said a moment ago, I think the committee will be set up fairly soon. In the past it has been the practice to deal, in conjunction with the reports, with the items to which the hon. member refers. I am hopeful that it will be possible to establish this committee fairly quickly.

COLLISION OF EXPRESS TRAINS BETWEEN MONTREAL AND HALIFAX

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to ask another question of the Minister of Transport. Has he received any report on the collision that took place between two express trains between Montreal and Halifax on Friday night? If so, is he in a position to make a statement to the house as to the cause of the collision?

Hon. Lionel Chevrier (Minister of Transport): I am sorry I am not in a position to make a report. I shall have an inquiry made, and perhaps I may be able to give the hon. member a reply in a day or two.

POTATOES

EXPORTS TO THE UNITED STATES—PROPOSED VISIT TO OTTAWA OF U.S. SECRETARY OF AGRICULTURE

On the orders of the day:

Mr. H. H. Hatfield (Victoria-Carleton): I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce. Is the report in the Montreal *Daily Star* last evening correct in stating that Mr. Brannan, United States secretary of agriculture, will fly to Ottawa on Friday to have a conference with the Minister of Trade and Commerce (Mr. Howe) in regard to the international supply of wheat to Japan and western Germany, at the same time taking up the matter of the export of potatoes from Canada to the United States?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): It will be noticed, Mr. Speaker, that the question asks whether the report in the Montreal *Daily Star* is correct. The report is a lengthy one and involves a great many matters of conjecture. As there is so much in it I would not wish to say that it is correct or is not correct. I could, however, say that Mr. Brannan, United States Secretary of Agriculture, is coming to Ottawa to meet with the Minister of Trade and Commerce on Friday of this week. The primary purpose of that meeting is to discuss wheat. There are also other matters to be discussed, but the United States secretary of agriculture is the only one who can say what questions he proposes to raise for discussion.

INQUIRY FOR RETURN

HEALTH AND WELFARE—EXPENDITURES BY GOVERNMENT AND OTHER AGENCIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Secretary of State. Will he look into the matter of a question under my name which was passed as an order for return on November 9, 1949, having to do with the total amount expended in Canada on health and welfare?

Hon. F. G. Bradley (Secretary of State): I should be glad to do so.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 28, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. Henri A. Gosselin (Brome-Missisquoi): Mr. Speaker, when the house adjourned last night I said that if our farmers were given the necessary encouragement, as in the past, our sons would not be apt to leave the soil. Since I have only a few minutes remaining I feel it is my duty to continue on a very important question, and to express my views on our natural resources. I believe it is the duty of all hon. members to bend their efforts toward the development of our natural resources for the good of our coming generations. Providence has provided Canada with tremendous natural resources for our future generations. Each province has different natural resources, and I believe it would be regrettable if we neglected to develop these resources for the benefit of our people.

It is our duty to spare no expense in order to develop our natural resources so that our younger element will realize that those who are in charge of the affairs of this country have provided for their future and have made it possible for them to share in the future prosperity of Canada. I believe that every hon. member in this house will support the government in its efforts to develop our natural resources. In this country we

have a population of which we should be proud. We should feel confident that they will carry on in the future to the best of their ability. In the past we have shown that we can be united. Unity is the basis upon which the prosperity of the country depends. The example which was given to us by our soldiers during the last war proves that unity and good understanding assure us of that prosperity which we desire and which we appreciate so much.

My time is just about exhausted. I feel that I should call on all hon. members to unite and to carry on in the best way possible to assure our people that whatever is necessary to provide for their future and welfare will be done. I regret that the time allotted to me does not permit me to continue with what I feel would be a remedy for some of our ills. I still believe that the present government is not neglecting in any way to provide that which is necessary to provide for the future of Canadians.

I wish to say a few words about unemployment. At the present time, Mr. Speaker, unemployment may appear to be disastrous, but as we look around us we realize that the difficulties of the people are not those which they have experienced in the past. Our people face the future with confidence. They are well aware that adjustment is necessary. They are well aware that the government has to proceed with caution. Our government has to proceed in such a way that its acts will be beneficial, and it is providing security measures against the aggressor. Our people are proud of its actions, because they feel that our enormous wealth will be distributed if possible. Let us join together and give our people the assurance that we are working for their welfare, that we are working to provide for every one of our people and that there is a future for them. By so doing I believe we will be establishing a principle whereby we will be guaranteeing the matter of financing. We will be guaranteeing the future prosperity of those in our country who look to us for an assurance of their welfare and of the opportunity to make an honest living. We will also create friendship in the United Kingdom and throughout Europe among those who look to us to perpetuate the principles for which our soldiers fought so valiantly.

I must now conclude my remarks because the time at my disposal is exhausted. I do so however in the expectation that I shall have the opportunity to join in other debates upon those occasions when I may feel that I can express myself for the benefit of those whom I have the honour to represent.

[Mr. Gosselin.]

Mr. G. S. White (Hastings-Peterborough): Mr. Speaker, rising to take part in the debate I should like first to extend my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply. May I also extend my congratulations to an old army friend who has been promoted to the post of Minister of Citizenship and Immigration (Mr. Harris). In my opinion this is a well-deserved promotion and, for my part, I wish him every success.

I was sorry to hear the Minister of Veterans Affairs (Mr. Gregg) state the other day in answer to a question that it was not his intention to set up a committee on veterans affairs at this session. Most hon. members are aware that the Legion has presented to the government a brief which deals with various matters connected with veterans affairs, a brief which could very well be considered by the committee.

The announcement has been made in the press that the minister will introduce at this session certain amendments to the War Veterans Allowance Act. These amendments could be considered by the committee. Then, there appears on the order paper a resolution standing in the name of the hon. member for Burnaby-Richmond (Mr. Goode) which states:

> That in the opinion of this house the government should give early consideration as to the advisability of increasing the basic rates of the war veterans allowance to $50 per month for single veterans and widows, and $85 per month for married veterans and widows with dependent children.

Anyone who looks over the large number of resolutions already appearing on the order paper will agree I am sure that there is no hope of this most important resolution being considered by the house at this session. If the minister would reconsider his decision and set up a committee, the subject matter of this resolution could be given every consideration. At the last committee on veterans affairs this subject was considered and certain conclusions arrived at. It is my honest opinion, and I believe that of many veteran members in the house, that those conclusions were slightly in error, and that the committee should be given an opportunity to make the necessary change.

If however the minister has finally decided that he does not intend to recommend the setting up of the committee, I would suggest to him that he advise hon. members who are interested in veterans affairs—and that would include every hon. member, no matter where he sits—just why he has chosen to refuse to have the committee set up.

At the last session of parliament, just before armistice day, I asked the Prime Minister (Mr. St. Laurent) if it was to be considered

a legal holiday, and whether or not the house would sit on that day. The Prime Minister replied that armistice day was a legal holiday, but that the house would sit as usual.

The matter of establishing armistice day as a legal holiday has been considered by various sections of the Legion in my district, and the members of the Legion feel that it should be observed in Canada as a national holiday in the same manner as we observe Good Friday, Christmas, Labour day and other holidays. Armistice day has a deep significance to the majority of people in Canada. However, when the government does not choose to observe it as a national holiday one cannot complain very much when the rest of the country fails to do so.

I have received a copy of a resolution passed by the county council of the county of Hastings, in which I reside, asking that armistice day be observed as a national holiday. I trust that before next November arrives the government will have taken some action to see that this day of remembrance is observed as a national holiday.

While we are speaking about holidays I would suggest to the government the advisability of having all holidays, with the exception of Christmas, Good Friday and armistice day, observed on the Monday closest to the day on which the holiday falls. A statutory holiday in the middle of a week is of little benefit to many people. On the other hand a holiday on a week end, preferably on Monday, not only gives a long week end but makes possible the taking of trips by many people who would not be able to do so if the holiday were permitted to remain in the middle of the week. I understand such a change would involve only a slight amendment to the Bills of Exchange Act. I suggest to the government that these matters referring to the holding of holidays on Mondays and the observance of armistice day as a national holiday be seriously considered.

I would bring to the attention of the Minister of Veterans Affairs the rumoured proposal that the office of the Department of Veterans Affairs in Peterborough be closed. This office serves a large number of veterans in that area, and if it is closed it will be necessary for them to do their business and have their consultations with veterans affairs offices either at Toronto or at Kingston. In many cases, the necessity of travelling to either of these centres would involve long, expensive and sometimes most inconvenient trips. Before the office is closed I hope the minister will give serious consideration to the inconvenience which would be caused to the large number of veterans in that area who take advantage of the Peterborough office.

Another resolution from the county council of Hastings which I would bring to the attenition of the Minister of Finance (Mr. Abbott) is as follows:

> Whereas county homes for the aged are compelled to pay sales tax on all goods purchased to which sales tax is applicable;
>
> And whereas hospitals are exempt from payment of such sales tax;
>
> Be it hereby resolved that the Hastings county council petition the Minister of Finance of the federal government to remove this sales tax in respect to county homes for the aged.

I commend this resolution to the minister in the hope that he will give these homes for the aged the same consideration now given to hospitals.

I see the hon. member for Hastings South (Mr. Follwell) in his seat, and I should like to congratulate him upon his maiden speech in the House of Commons. In that speech he referred to the importance of cheese to the economy of the county of Hastings, and stated correctly that not only does that county produce the largest quantity of cheese of any county in the province, but that it produces the best. Black Diamond cheese, produced and cured in Hastings, is world-famous.

The importance of the cheese industry to the county of Hastings is indicated in a press announcement appearing in the Belleville *Ontario-Intelligencer* of February 21, 1950, which announced that the first producer storage plant to provide cheese curing and storage facilities, and a research laboratory, is being erected in the city of Belleville.

Mr. Heath, secretary of the Ontario cheese producers association, stated that the warehouses when constructed would serve the following purposes:

> (1) When cheese is assembled in large quantities it enables the producers to classify it according to indications of good keeping qualities, freedom from foreign material and other physical characteristics, and sell it according to classifications, which should encourage competitive buying as the trade could be provided with their preferred requirements.
>
> (2) It also provides the producers with a building in which to store their cheese should the market at any time appear unsettled and unfavourable.
>
> (3) It provides the producers with the facilities to investigate new methods of marketing.

In addition to a large amount of cheese, Hastings county also produces many other farm products including a large number of pork products. As Hastings county is largely an agricultural district it is only natural that the farmer producers are most keenly and vitally interested in the falling prices affecting their products. Agriculture is the most basic industry in the world. It produces the greater portion of the food required to feed the world, and Canada despite its industrial growth is primarily an agricultural country. It is one of the few countries left in the world in which

agricultural production can still be expanded. A prosperous agriculture can contribute to a sound and balanced national economy and means much to the general prosperity of our nation.

The growing difficulties of agriculture were caused by the war and the mistake of continuing compulsory marketing in closed markets at political prices. Hindsight reveals that the restoration of open food markets at the end of the war, with the financing of some foreign customers, would have resulted in fair prices for Canadian food. Natural prices would have given farmers reasonable wages in relation to the earnings of urban workers. The financing of food exports, with some outright gifts of food, would then have been shared by all citizens of Canada and would not have been borne wholly by the farmer producers. The very serious inequity which existed between urban and rural producers at the outset of the war could not be corrected by wartime controls. At that time labour was in a position to demand more pay for much less work than the farmer was doing, and there was nothing to do but to give labour as much as was necessary to maintain production. No government can create prosperity by compulsion, but any government can manipulate the economy for the benefit of the most potent pressure groups as long as the majority of the people are willing and able to supply pressure groups with more than they earn.

In a controlled economy such as we have had in Canada it was inevitable that urban pressure groups should benefit at the expense of the rural producers. Urban people outnumber farmers more than two to one. Compulsory marketing with political prices has now ceased to work to the advantage of urban consumers, who never have understood farm problems, and never will. It is only natural that they now see the folly of maintaining political prices above market levels.

Now that it is quite clear to all of us that unavoidable wartime controls and unnecessary peacetime compulsory marketing at political prices have cost Canadian farmers hundreds of millions of dollars, action should be taken to cushion the shock of lower prices with stop-loss guarantees. Such guarantees should prevail until the liquidation of compulsory marketing schemes and the extension or organization of true co-operatives can be carried out in an adequate manner.

During the war years we were never faced with any question of overproduction or a surplus of farm products. In fact the government encouraged farmers to increase production in every way. The government urged the farmer to carry more stock, to bring more acreage under cultivation and to do everything possible to increase the production of food. During the war years farm labour was scarce. Few men wanted to work on farms. They preferred to work in industry in the cities at a much higher wage. New farm machinery was scarce and expensive, but despite all the handicaps that the farmer faced he was able to increase greatly the stock carried on his farm, he was able to bring a large number of new acres into cultivation, and he was able to greatly step up the production of food.

During the war years the farmer did not have a price tag on his products because the prices of all his products were strictly controlled by the government. This did not apply to industry, which in most cases operated on a cost-plus basis during the war period, and still operates that way today. Every article produced by industry sells for a figure that will return not only the cost of production but also a fair profit in addition thereto.

The Ontario milk commission of 1947 found that it cost $2.69 to produce 100 pounds of milk. The report also showed that the farmer received from $1.95 to $2.10 for his 100 pounds of milk. I should like to read a paragraph from the report dealing with this matter. It is headed "Cheese and cheese milk", and reads as follows:

> The results of an over-all survey made by the accountants attached to the commission are set out at pp. 126 and 127 of the report and show an average net cost of producing 100 pounds of cheese milk in 1946 to be $2.34, to which an administrative allowance of 35 cents was added, making a total cost, including administrative allowance, of $2.69 per 100 pounds of cheese milk. At the time of the inquiry before me, the return to the cheese milk producer was estimated at between $1.95 and $2.10 plus the value, which seemed doubtful in many cases, of whey returned for each 100 pounds of milk. If the average figure is one of general application, as I believe it is, it would seem to substantiate the contention brought forward by the cheese producers' association that the price structure existing at that time did not permit a return to the farmer sufficient to pay his cost of production and give him even a modest profit.

Perhaps as a result of that investigation the price for the cheese contract of 1948-49 was placed at 30 cents. In 1950 the cheese producer is to get less than 30 cents. I suggest to the minister that if it was necessary for the farmer producer to have a price of 30 cents in 1948-49 it is necessary that he have 30 cents or more today in order to keep pace with the increase in the cost of the production of milk. I should like to quote a few figures showing the increase in the cost of various things that enter into the production of milk. First I should like to deal with the eastern

Ontario prices for feed in carload lots. These prices are a comparison between the 2nd August, 1948, and the 2nd August, 1949.

1. Feed (per ton), carload lots delivered eastern Ontario:

	Aug. 2 1948	Aug. 2, 1949
Dairy ration 16 per cent.....	$62.25	$65.00
Dairy concentrate 24 per cent	67.50	75.00
Dry and freshening ration..	61.00	66.00
Calf meal	83.00	89.00

Freight rates, even without the increase announced today, have also risen in the same period. The rate on bagged feed increased from 21 to 24 cents per hundred pounds between 1948 and 1949, while the rate on loose grain increased from 35 cents to 38 cents. The cost of shipping cheese from Belleville to Montreal by rail increased from 28 cents to 32 cents per hundred pounds in the same period. Then I might give a few examples of the increased cost of farm machinery as between 1948 and 1949:

	1948	1949
Tractor	$1,372.14	$1,482.14
Binder	365.00	405.00
Tractor plow	148.50	195.00
Heavy mower	154.50	179.00
Milker	291.35	325.41
Cream separator	129.75	141.05

During the same time the cost of small farm utensils increased by at least 25 per cent. Gasoline prices have gone up; hydro rates, at least in Ontario, have increased; telephone charges are to be increased. All the supplies required by cheese factories increased in cost in 1949 as compared with 1948. I do not think there can be any dispute when I say that the cost of producing milk for cheese in 1950 is going to be considerably higher than in 1948 and 1949; and I would remind the Minister of Agriculture (Mr. Gardiner) that since 1941 some 150 cheese factories in Ontario have closed. That is approximately 25 per cent of the total number of cheese factories in this province. During the war cheese was considered a most important food product both for the armed forces and for civilians; and I suggest to the minister that even as a defence measure the remaining cheese factories in Ontario should be maintained.

Then for the last few years the county of Hastings has produced approximately 70,000 hogs a year. According to a report issued by the bureau of statistics the number of hogs on Canadian farms was 19 per cent greater, as of December 1, 1949, than as of December 1, 1948. Just what is going to be done in connection with the marketing of these surplus hogs has yet to be determined. The remarks I have just made in connection with the cost of producing milk for cheese apply with equal force to the cost of producing pork for the market.

The Address—Mr. G. S. White

I am not going to repeat the many arguments that have been advanced already during this debate, especially by the hon. member for Dufferin-Simcoe (Mr. Rowe), with respect to the enormous benefit the United Kingdom market has been to Canadian producers. I am sure the Minister of Agriculture realizes that the United States market can never take the place of the United Kingdom market. In this connection I should like to quote some remarks of a former farmer premier of Ontario, as reported in the January, 1950, issue of a publication called *The Rural Scene*. I refer to Mr. E. C. Drury, the former leader of the United Farmers of Ontario, who was interviewed by Mr. E. J. Young, who is described as having been a Saskatchewan farmer for forty-four years and formerly a member of the House of Commons. This is an account of the interview:

I suggested we begin with the United States and asked if he believed there might be a market there for our surplus agricultural products.

"In spots and at times we could sell them, but only in spots and only at times," he replied. "The American market is limited by the fact that it is a protected market and therefore a narrow one; furthermore you can never depend on it.

"It is an article of faith with the Americans to encourage their own producers by buying at home; and they have never hesitated to shut out imports by government action whenever their own producers complained of outside competition.

"Outsiders who depend on that market live always under the threat of being excluded from it by sudden changes in the American tariff. Canada has had this experience several times.

"The British market," he added, "on the other hand, has been our most dependable market in the past and in my opinion it can be again if we cultivate it properly.

"Let us consider for a moment what made it such a wonderful market. It was a free market. All the world was welcome to ship its surpluses to Britain; and all the world looked to Britain as a market in which it could buy anything it wanted."

The remarks of the Prime Minister (Mr. St. Laurent) during this debate, and the report in this morning's newspapers of his interview yesterday with a delegation from Montreal, do not bear out the large posters that appeared throughout Ontario prior to the election, which told of everyone having a job under the Liberal government. Under date of February 18 of this year the Belleville newspaper contained an appeal by the manager of the local national employment office for jobs of any description for the relief of the large number of unemployed in that city and in the county of Hastings. That gentleman is reported in the press as having said some 1,440 persons were drawing unemployment insurance through his office, and those figures do not include a large number who are not registered, or another large number who are not entitled to unemployment insurance and

so do not pass through that office. When one considers that Hastings is an agricultural county, the presence of several thousand unemployed there would hardly bear out those glowing advertisements which appeared before the election.

For nearly ten years the government has sold all the farmers' produce. My county is particularly interested in cheese; and that cheese was requisitioned by the government. With the scarcity of food during the war it was not difficult to sell any farm product; but now that our markets have faded away, and when we are faced with the additional difficulty in connection with the convertibility of sterling, it seems that the whole problem of marketing farm products is to be dumped back into the lap of the farmer producer, and this despite the fact that everyone recognizes that the Canadian farmer made a great contribution to our war effort. The farmer producer was told during the war period that he would be assured of future markets, and in many cases he was forced to accept for his product a price which was below the world market price. So I suggest to the minister that some step must be taken to cushion the shock during this readjustment period.

A drop in farm prices will affect a large number of Canadian veterans who have used their gratuities and re-establishment credits to get started on farms. All these veterans have made heavy financial commitments; and if they are to be successfully re-established in our peacetime economy they must receive a fair and just return on their investment and fair prices for the commodities they produce. If we in Canada, Mr. Speaker, wish to keep all Canadians fully employed, and maintain our standard of living, then I submit that the farmer producer must be put on a basis somewhat comparable to labour. He must receive a fair and equitable return, not only on his investment but on his labour as well.

In conclusion, Mr. Speaker, I should like to read a resolution which was passed by the federations of agriculture of Northumberland and Hastings counties, at a meeting recently held in Belleville. The resolution reads as follows:

Whereas, the economic future of the farmer is very unstable and at stake, and, whereas the farmer and his family worked long hours during the war without thought of cost plus as received by industry,

And, whereas over one-third of the armed forces were farm boys who fought and died not only for democracy but for the rights of everyone,

And, whereas many thousands were established on farms and have large obligations to meet,

And, whereas the farmers were assured by the government that their rights would be protected in the years after the war as they had not received cost plus during the war,

[Mr. White (Hastings-Peterborough).]

And, whereas many people in Great Britain and Europe and Asia are rationed and short of food, while we have surpluses of farm products accumulating,

And, whereas manufactured goods are advancing in price and labour is receiving the largest weekly pay envelope in the history of Canada,

And, whereas under the present price ratio, an hour's average wage of industrial labour will today purchase more farm products than at any other time since 1913,

Be it resolved that this meeting of the federations of the counties of Northumberland and Hastings commend the federal cabinet for the price support already given, but feel that support prices should be further advanced to be on a parity with labour and industry.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the amendment to the amendment moved by the member for Rosetown-Biggar (Mr. Coldwell). I wish to deal particularly with the first two clauses of that amendment, as found on page 68 of *Hansard*, which read as follows:

We respectfully submit to Your Excellency that Your Excellency's advisers have:

(1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and

(2) failed to take steps to inaugurate an over-all social security program including national health insurance and the removal of the means test from the old age pension;

Before proceeding with my remarks on the amendment to the amendment, I wish to express my support of the remarks of the member for Rosetown-Biggar, my leader, concerning the international situation, when he was speaking on this address. Without a doubt, thoughtful people everywhere are seriously concerned about international developments. While there is widespread concern over the loss of markets, and unemployment, recent information concerning the hydrogen bomb and its terrible possibilities has focused the attention of the average Canadian, as well as average people everywhere, on the urgent necessity for international control of this frightful weapon of war. I agree, Mr. Speaker, with the member for Rosetown-Biggar when he said there were two alternatives facing us. This is reported at page 66 of *Hansard* of February 20, and reads as follows:

One is to despair, to organize our side of the iron curtain and engage in a furious and intolerable armament race; the other is to bend every effort to find an acceptable plan for international control and inspection, and proceed at the same time to remove from the world the age-old causes of war.

The evidence of growing concern about the development of this terrible weapon comes from many quarters, and those quarters are increasing from day to day. As has been said before, Senator McMahon, the

joint chairman of the United States congressional committee on atomic energy, has made a generous and worth-while proposal. According to his calculations, the United States is spending $15 billion a year on armaments and war preparedness. Quite recently, he proposed that the United States might give a lead by offering the world, through the United Nations, two-thirds of that sum for five years on two conditions. His first condition was a general acceptance of a satisfactory program for the effective control of atomic energy. The second condition was agreement by all countries, enforced by inspections, that two-thirds of their present spending on armaments be used for constructive purposes.

This proposal, Mr. Speaker, continues to receive surprising support from all groups in the United States. It has been welcomed by many individuals and groups in Canada as well as in other countries. In my opinion, the generous spirit of this proposal should receive every encouragement from the government of Canada.

As an indication of the thinking of many Canadians, I wish to quote briefly from some newspapers. I do this because the editorial I wish to read now puts in brief and concrete terms what I have found in letters written to me, and what I have discovered in conversation with my constituents. I am here to present the views of my constituents, Mr. Speaker, so I want to quote an editorial that appeared in the *Kootenaian,* February 16, 1950. It reads as follows:

> Peace cannot be secured through bombs
>
> After the first world war the sincere efforts for world peace of the league of nations were sabotaged by the ruthless agents of international capitalists living in London and New York. Such men in the United States broke Wilson's heart when they steered the support of their country even from membership in the league of nations, and, as they were the world's richest nation, this action resulted in the failure of the league to achieve lasting world peace.
>
> The winning of the second world war was followed by the forming of the United Nations Assembly with whom the establishment of world peace has been entrusted. But the failure of Russia to agree with the western democracies on terms seems to have resulted in stalemate again and there is open talk of a third world war. Entrenched behind possession of the A bomb by the United States, we have been lulled to rest by the fact of United States military might.
>
> We do not wish to enter into an argument over who is right and who is wrong. As we pointed out in our last issue, the great majority of humans in all nations want lasting peace, but it seems that the extremists in both camps keep us from arriving on ground where this can be attained. Is it not inevitable that militarists are the worst possible men to be entrusted with our world peace discussions? And does anyone doubt but that the international armament trusts are again using their large financial powers to keep peace from being established?
>
> Science up to now has given its discoveries to the entire world, irrespective of national boundaries. Prominent scientists of Egypt, Greece, Italy, France, Germany, Britain, United States and Canada have all contributed to the sum of scientific information that is used universally today for man's welfare.
>
> Now come the A bomb and the H bomb, and they are being treasured up as bolsters to ensure peace. It just won't work. Already the Russians seem to have caught up with the United States in bomb manufacture; and when we imagine them in first place in atomic research, we are brought face up to the futility of such securities for peace.
>
> True peace is a world away from the enthroned materialism which finds expression in militarism and lethal weapons. Peace is the natural expression of culture; it is of the spirit—the spirit of Christianity. We are living (or are we?) in Christian countries; so, if there is any sincerity in our search for peace, why do we not entrust the Christian church with a fair share of the work of establishing it? In our opinion the main missionary strength of the church today should be turned against the pagan influences in our governments and diplomacy, which are gradually but surely driving the world into the biblical Armageddon.

I quote that, Mr. Speaker, because it contains, in brief, passages from many of the letters I have received from a number of people.

Before proceeding further, I should like to quote from the *Rural Co-operator,* Toronto, February 14, as follows:

> But we do believe that peace should be sought at almost any price. We believe that peace in our time cannot be had without paying some price, and with the ever-more-terrifying prospects of the consequences of another war we believe that even a very high price for peace is worth considering.

Then, in conclusion, I see in this morning's Ottawa *Citizen* a news item headed "York calls for talks on H-bomb", which reads in part as follows:

> Dr. Cyril Garbett, Archbishop of York and second highest dignitary of the Church of England, yesterday appealed for an immediate attempt "on the highest level" to reach agreement with Russia on the hydrogen bomb.

Those editorials, Mr. Speaker, and those requests by leading churchmen and church groups, reflect a growing opinion all over the world that our countries on the western side of this world must make every effort possible to see if an agreement cannot be reached before we go on with the greater development of these terrifying weapons of war. In my opinion the belief that the world crisis can be resolved merely by resisting and containing communism is a delusive one. Many have persuaded themselves that this resistance and this containment must take precedence over everything and that Canadian social objectives even must not only be subordinated to the work of containment but, if some people had their way, in many fields sacrificed.

To anyone who is greatly concerned with the whole world situation, and the trend of

social thought and development in our country, it is interesting to read the comments on the present developing situation made in the writings of prominent people. For the information of the house I wish to quote briefly from an article in *The Atlantic* of August, 1949, entitled "The conquest of America" by Archibald MacLeish, professor at Harvard.

Everyone who has followed that gentleman knows of his high position in the United States and the great contribution he has made there to education and culture. I would advise everyone to read the article because it contains a great deal of thoughtful material. I read these excerpts because they indicate clearly the dangers that can develop within a democratic society owing to the fears engendered because of the possibility of aggression of other powers:

> The inadequacy of the position we have taken, even within its own narrow and negative purpose, is only too obvious. Neither communism nor any other body of positive belief can be overcome in a period of world-wide dissatisfaction and unrest merely by denying it, or by offering, as a substitute, the world of things as they are. It can be fought only by facing it with a true alternative. And the true alternative to communism is not the world of things as they are; nor, even more certainly, is it some other kind of authoritarianism.
>
> The real choice is the choice between all forms of authoritarianism on the one side and, on the other, the dream of a whole and responsible human freedom. . . .
>
> For, by putting the hatred and fear of Russia first we have opened the sacred centre of our lives, our most essential freedoms—the freedoms of mind and thought—to those among us who have always hated those freedoms and who know well how to use our fear of Russia as a mass to cover their disguise attacks. The spread of legalized thought control from points of infection in the congress to state legislature after state legislature across the country is not the work of chance. It is the work of freedom-hating men. And we have laid the nation open to them by our fears . . . .
>
> It will not be possible for us to argue, when the finger of time is levelled against us, that we did not see what needed to be done. The wisest and soberest and most realistic statesman of our generation warned us three years ago that the job we had to do—the job we had to do whether there were communists around or not—was to make freedom a reality in the post-war world; and Henry L. Stimson did not speak alone.

As one of my correspondents I think so rightly said, at this time if to these problems we are going to have, shall I say, a collective approach which is wider than the bounds of political parties or wider than the bounds of various religious beliefs and faiths, we need a positive and dynamic Christian approach to meet effectively the problems that face us at home and abroad. In my opinion, Mr. Speaker, this government should support to the full the principle of the appeals made by church leaders and statesmen for further efforts toward agreement with the Soviet union.

I wish now, Mr. Speaker, to deal briefly with the first clause of the amendment to the amendment which reads as follows:

> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers;

Before I conclude I think I can produce evidence which will justify on sound ground the supporting of this amendment to the amendment moved by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell). The loss of markets and the growing unemployment are evidence of the government's failure to give effect to its former pledges and promises. On that basis, this amendment is fully justified.

First of all, going back to 1945, we had the political promises of the government made during the 1945 election. Throughout this country we had large posters which said "Vote for a new social order", which implied a new social order. In the recent election we had posters which said "Vote for more jobs for more people" and posters which said "Vote for markets and prosperity". In my opinion this government, since 1945, has completely changed direction in its attitude to the question of full employment and the question of foreign markets. I shall attempt to prove that statement by a few quotations from various official documents. First of all, article 55 of the United Nations charter has this to say:

> With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:
>
> (a) higher standards of living, full employment and conditions of economic and social progress and development;
>
> (b) solutions of international economic, social, health, and related problems; and international cultural and educational co-operation; and
>
> (c) universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

Then article 56 reads as follows:

> All members pledge themselves to take joint and separate action in co-operation with the organization for the achievement of the purposes set forth in article 55.

We must not forget that our government signed the charter of the United Nations.

Then we come to the white book on "Employment and Income" tabled in this house by Right Hon. C. D. Howe, Minister of Trade and Commerce, early in 1945. I just want to quote from that document briefly:

> It has not been possible during the war to accumulate a large "shelf" of ready-planned public projects. The war program has necessarily taken

precedence and the engineering staffs of all governments have been denuded by war demands. Particularly has it been impossible to embark on the planning of new types of comprehensive projects of far-reaching extent. On the other hand, all governments, dominion, provincial and municipal, have a considerable backlog of public projects of the normal sort for maintenance and expansion, which have been deferred during the war years. Some of these are fully planned and others are capable of rapid planning. Governments will wish to carry out these projects as soon as labour and materials are available once more . . .

Accordingly, as an appropriate policy for this period, the dominion proposes to press ahead with the planning of its own deferred works and invites provinces and municipalities to do the same . . .

The deliberate use of public investment expenditures as a permanent instrument in employment policy has to be undertaken experimentally.

Now, after five years, we learn that this program, as set forth in this white paper, has not been fulfilled. We come into an unemployment situation in which the government admits that it has no shelf of public projects planned over a period of years, as there should have been, to which effect could be given when unemployment arose. I will admit that in previous years in the immediate past there was not the necessity to use this shelf of public works; but in 1945 we were promised by this government that they were making plans for a shelf of public works to use as soon as necessary.

I read the Prime Minister's speech carefully. After reading that speech I would say that there is concrete evidence there of a change in direction in government policy since 1945. In 1945 there was emphasis on the necessity for public investment to maintain full employment. Now without question, this government, believing in free enterprise as it does, is emphasizing the ability of private enterprise to provide employment. We must not forget this. Regardless of what the supporters of private or free enterprise, as it is called, say, free enterprise always comes to government to rescue the casualties of unemployment.

What were the proposals of the government of Canada in the green books of August, 1945, Mr. Speaker? I quote again:

In familiar terms, our objectives are high and stable employment and income and a greater sense of public responsibility for individual economic security and welfare. Realization of these objectives for all Canadians, as Canadians, is a cause in which we would hope for national enthusiasm and unity.

The government has clear and definite views on how these objectives can be attained. These views may be summarized very briefly as,

First, to facilitate private enterprise to produce and provide employment;

Secondly, to promote bold action by the state in those fields in which the public interest calls for public enterprise in national development;

Thirdly, to provide, through public investment, productive employment for our human and physical resources when international and other conditions adversely affect employment; and

Fourthly, to provide, on the basis of small regular payments against large and uncertain individual risks, for such hazards and disabilities as unemployment, sickness and old age.

It is quite safe to say, Mr. Speaker, that the government has not taken bold action with respect to providing a shelf of employment projects, and it certainly has not brought before this parliament so far an overall security scheme.

On the basis of this government's statements, on the basis of public statements in the press, speeches by members of this government in 1945 and in the preceding years, 1943 on, various provincial governments in Canada were stimulated to make plans with respect to the post-war rehabilitation period. I know that in the province of British Columbia, as a result of action by the legislature, we formed the post-war rehabilitation council of British Columbia. There was a great deal of enthusiasm and unity concerning the possibilities of joint action between the federal, provincial and municipal governments for the development of an economic order that would provide full employment and markets for agricultural products. That post-war rehabilitation council travelled all over British Columbia. It received briefs from municipal councils; it went to a great deal of trouble to prepare briefs, to outline schemes of development and possibilities for work over the years. It received the same co-operation from trade unions, co-operative organizations and veterans' organizations. I can say that the whole community in British Columbia co-operated to present their views to this post-war rehabilitation council; and without any doubt those efforts were put forth, and that very comprehensive report was drafted, in the belief that this government was going to take the lead in a public investment program in co-operation with provincial and municipal governments. I may say I was a member of the provincial legislature at that time. When we were discussing this question the question of public works was brought to the attention of the government, and it was said that $210 million was to be used for the development of roads and highways. The question came up in the legislature as to how it was to be financed. A member of the cabinet rose at that time and said: "On the basis of the information we have, the federal government will be making generous contributions". That was the expectation.

I want to refer to one or two conclusions in the British Columbia post-war rehabilitation council report. It has this to say with regard to market extension:

> Market extension is promised on the conviction that one of the basic principles of reconstruction is that of increased world purchasing power.

Then it continues:

> The post-war problems in British Columbia, as elsewhere, will be so complex and complicated they cannot be solved by the government alone. They require the fullest co-ordination between the three governments, federal, provincial and municipal.

I say without any hesitation, Mr. Speaker, that the people of British Columbia, working through their government and organizations representing various groups of people, farming and industrial, made these recommendations in the belief that this government was going to take the lead in a program of national and public investment in this country.

Their report continues—this is a very interesting sentence, in view of what has happened:

> One of the other weaknesses of public policy in the last depression was that of public expenditures being too little and too late.

I hope, Mr. Speaker, that history will not repeat itself in that respect, although to a limited extent that is true today because if this government had its plans fully developed it could have relieved to a considerable extent the unemployment that exists in this country at this time, which does not result entirely from seasonal conditions.

What has been the attitude of this government with respect to full employment in the international sphere? I should like to draw to the attention of the house the recommendations of the United Nations which dealt with national and international measures for full employment. The United Nations assembly was urged through the economic and social council to take up the question of full employment and to put forth definite proposals for international projects designed to maintain full employment.

In December, 1949, the five economists to whom the secretary-general of the United Nations referred the matter presented their unanimous report. This report opens up tremendous possibilities and is entirely different from any report that would have been proposed under such auspices a few years ago. In view of the developing economic situation, what these leading economists asked for is an automatic system for the maintenance of world purchasing power to be brought into force at once upon the appearance of any serious signs of recession in any leading country. What they asked was that each country shall not only take on measures in its power to prevent a fall in its own domestic level of demand but that it shall guarantee to put at its disposal for the rest of the world a staple surplus of its own currency.

They contemplate the use of such funds largely for advancing development in the borrowing countries and they ask for drastic revision of the statutes of the international bank and of the international monetary fund.

The interesting point of these proposals is the recognition that private investment by the leading countries in the less developed countries is incapable of reaching the volume or stability that the maintenance of full employment requires, and that lending by governments to governments through a neutral international agency provides the only possible answer. That is very clear and definite in the report, and I have read it most carefully, Mr. Speaker.

What was the Canadian government's reaction to the proposals on an international level? As evidence that this government does not believe in international planning, or in domestic plans, to meet the problem of unemployment or markets I want to quote from the Montreal *Gazette* of January 20, 1950, which deals with the Canadian reaction to the proposals. It is headed:

> Canada Snubs Jobless Plan
> UN Committee told Rigid Work Controls Impracticable Here
>
> Lake Success, New York, January 19—Canada today told a United Nations economic group that rigid automatic measures to counter unemployment are not practicable for the Canadian economy.
>
> John Deutsch, director of international economic relations in Canada's finance department, said Canada's economy is dependent largely on development of natural resources and sale of its products abroad. He said automatic readjustment of taxation and expenditures when unemployment threatens would therefore not be realistic for Canada.
>
> He spoke before the fifteen-member economic and employment commission which is studying recent recommendations by a group of five top economic experts for global and national measures to maintain full employment.
>
> Deutsch urged that the committee refrain from taking direct action on the recommendations, but circulate them among United Nations members requesting views of all governments on the problem.
>
> Turning to the experts' proposals for international action, Deutsch said the unstable equilibrium of world trade and payments is of overriding importance for Canada.
>
> Re-establishment of an adequate flow of international investments as proposed by the experts would be an excellent development, he said. But it does not appear likely in view of the present outlook, he added.

That is the end of the quotation from the Montreal *Gazette*. But it means this, that the Canadian representative turned down the proposals made by this committee of the

United Nations to deal with the question of full employment as a result of international planning.

What are we doing about the development of our markets? I see my time has almost expired, but before taking my seat I should like to say that anyone who is interested in the question of the marketing of agricultural products would be well advised to read the speech of the hon. member for Acadia (Mr. Quelch), as it is reported at page 190 of *Hansard* for February 23. As usual, the hon. member gave a most intelligent and comprehensive review of the situation.

The Secretary of State for External Affairs (Mr. Pearson) admits that the standard of living of eastern peoples must be raised and must be improved if democracy is to be developed in those areas. On the one hand we refuse opportunities to develop full employment through international planning and, on the other hand, we see people starving. Yet we admit that if democracy is to be developed these peoples must have access to our surplus products.

What has happened in that respect? We have world food plans. In September of 1946 Lord John Boyd Orr submitted his proposals for a world food board to stabilize agricultural prices of commodities on the world market, and included in those proposals the provision of funds for stabilizing functions, and so on. Time will not permit me to place on record all the details of his plan, but I would comment briefly by saying that the plan was rejected. Canada was elected to the world food council in September of 1947, but hope for the plan was smothered by a revision of these proposals. Nowhere do I find any evidence of Canada's having supported them.

Again, the conference of the International Federation of Agricultural Producers was held at Guelph in June, 1949, and made proposals for intergovernmental commodity agreements providing for an international agency which would deal with the commodities concerned.

In addition, the International Federation of Agricultural Producers recommended special action programs to move surpluses of agricultural products which already exist in certain countries to other countries where people remain ill fed and ill clothed because they lack the means of production and purchasing power. I find no evidence of Canada's having supported those proposals.

The meeting of the food and agricultural organization at Washington in November, 1949, made plans to establish an international commodity clearing house to channel agricultural surpluses into countries where food was badly needed. The Minister of Agriculture (Mr. Gardiner) has made it quite clear that this government is opposed to all such schemes. Referring to the international commodity clearing house the minister is reported to have said, "We don't need that; we can do it ourselves."

Without question our government has turned its back on proposals for international planning, for the creating of full employment and the marketing of world surpluses in what would be considered an unorthodox way.

What is the attitude of the farmer? I have not time to deal at length with that subject, but we do know that the farmers in this country are behind these proposals. The British Columbia fruit growers association at its last annual convention, in January, passed a resolution in which it heartily supported the action of the Canadian Federation of Agriculture, and the resolution passed by that federation was in these words:

> Whereas the FAO international commodity clearing house seeks to establish:
>
> 1. The maintenance of a high level of production and employment.
>
> 2. The reduction of trade restrictions, including tariffs and quantitative and monetary restrictions.
>
> 3. An increase in the standards of productive efficiency, particularly in western Europe.
>
> 4. International investment to finance export and import surpluses and
>
> 5. The restoration of convertible currencies and multilateral transactions as a basis of world trade—all of which is designed to feed properly an undernourished world and thus utilize all presently available and potential food and fibre production.
>
> Therefore, the British Columbia Fruit Growers' Association in its 1950 annual convention commends the Canadian Federation of Agriculture for promoting so effectively the world food pool principle and the sixty-one countries which make up FAO for planning to put this world-essential principle into active operation, and urges the Canadian government to give this project its complete support.

The fruit growers of British Columbia are keenly interested in this proposal, because they are facing a serious situation in connection with the returns from this year's crop and the disposal of the new crop. I shall not deal at length with this phase of the matter because the hon. member for Yale (Mr. Jones) intends to do so later in the debate.

To maintain our markets I support the proposal of the hon. member for Rosetown-Biggar (Mr. Coldwell) that, instead of demanding payment in dollars by the sterling area, we accept more goods and part payment in sterling, and the reinvestment of this sterling in the undeveloped sterling areas. That is not a complete solution, but it is an immediate approach to the present world economic difficulties.

In addition to that, we support international planning along the lines suggested by the

international commodity clearing house for the distribution of our greatly required agricultural surpluses.

In addition to that, and above all, I am sure if we are going to play our part in the restoration of the world economy we will find that in some cases it will be necessary to make gifts to certain countries. I should like to see agricultural surpluses disposed of in that way, and paid for out of taxation, rather than see large sums being spent on unemployment relief. By being able to produce we will maintain morale and do something effective towards solving economic questions.

Before taking my seat I should like to speak briefly about unemployment. At this time we have in Canada about 400,000 unemployed —these are the numbers registered. We have these unemployed, despite our great natural resources, and our great human resources. How does this figure compare with those of the United States and Great Britain? The latest figures for Great Britain show 329,000 unemployed, a labour force of 23 million, and a percentage of 1·4 unemployed. Similar figures for the United States show 4,800,000 jobless, with a labour force of 60 million, and a percentage of unemployed of 7·5. On the basis of 323,000 jobless and a labour force of 5·1 million, Canada has a percentage of 6·3 unemployed.

What about Australia and New Zealand? They are both in a position quite different from ours. There is full employment in New Zealand; and on the basis of information radioed from Australia today they have about 1,000 registered unemployed; but they have 107,000 jobs for which applicants cannot be found.

Let us compare the position in Australia with that of Canada. Here we have greater natural resources and greater opportunities. I will admit that we have seasonal unemployment, a form of unemployment which can be taken care of through the use of the Unemployment Insurance Act. Over and above that however, as evidenced by the mounting numbers of unemployed in the early fall months, we have in this country a genuine unemployment situation which has no relationship to weather conditions.

We believe that the government should give effect to the promises it has made commencing in 1945, and should develop public investment policies which can only be successfully developed as the result of planning over a period of time. That is my major criticism of the government. These projects were not planned and developed so that they could be put into operation when the need arose. We know now that the government is proceeding with the proposal for a trans-Canada highway. It is making expenditures under the Canada Forestry Act, as well as other departmental expenditures. Nevertheless the bare fact is that at this time there are thousands of Canadians unemployed and wasting their ability to labour because the government has not put into effect plans to put them to work.

I now want to deal with my own constituency for a few minutes. In Kootenay West at the present time there are about 2,000 registered unemployed. I admit that undoubtedly some of these men are seasonally unemployed, but I think if the government had given previous consideration to the question many of them could have been working to the advantage of Canada. I suggest that there are projects which are feasible in the winter months. I will admit there are difficulties in the wintertime in carrying out certain types of projects in some parts of Canada, but for the information of the house I shall give a few projects that with proper planning could be undertaken in the district I represent in order to absorb those who are unemployed at this time. For instance, we need a million dollar expenditure on the extension of the river wall alongside the Columbia river to protect the city of Trail. I am not going to lay the primary blame on the dominion government in that respect because I believe the principle the government has established is sound, namely, that provincial governments should place their plans before the dominion government. I believe that the municipalities should deal with the problems first, and that the province concerned should make application on behalf of the municipality. The government has a sound reason for saying that nothing has been done because the provincial government of British Columbia has failed to make suggestions to the federal government as to the need for the building of a river wall at Trail.

Then there is other work in unincorporated areas along the Columbia river which could well be done in the wintertime. In previous years it has been done then. I refer to the prevention of erosion of the banks of the Columbia river at certain points. We also need a new federal building at Trail, but to construct such a building in order to absorb the unemployed in a certain period of the year requires previous planning and, shall I say, an abnormal direction of effort. We also need a new federal building at Nelson. I submit, Mr. Speaker, that these are some of the things that could be accomplished in my own constituency even during the winter months.

I have not time to speak about clause 2 of the amendment to the amendment which criticizes the government for not introducing an over-all security program. One is fully

justified in supporting clauses 1 and 2 of the amendment to the amendment because the present government has not brought before the house proposals for an over-all security program. Are we going to continue to waste our human and natural resources? In the direction of our economic affairs are we going to continue to accept what I would term the philosophy of the money-changers who still have control of the economic policies of the western world? On the other hand, are we going to justify our claim to be a Christian democracy by using our human and natural resources to the advantage of Canadians and of all mankind? In view of the record of the government and the evidence and facts before us, I think the house would be fully justified in supporting the amendment to the amendment.

Mr. W. M. Mott (New Westminster): Mr. Speaker, this is the first time I have risen to speak in the house. As one of the junior members on the government side, with only five weeks in the house during the last session and two weeks during this session, I want to say it is a real privilege for me to have the opportunity of expressing my thoughts and views to the house, and also certain ideas I have which may be of some benefit to the whole of the great Dominion of Canada. First of all, I should like to join in the congratulations and expressions of appreciation that have been extended to the mover (Mr. Larson) and seconder (Mr. Dumas) of the address in reply to the speech from the throne. I am certain I could not find words to add to those which have already been uttered in commendation of them. I am sure we are all proud of these two young members and that we all look forward to hearing from them on many occasions in the future.

I have the honour to represent the constituency of New Westminster, which includes three large municipalities in the surrounding area. Over twenty years ago Senator Tom Reid, the previous member for that district, came here as a new member of the house. No doubt on first entering the house he put forward his views as to his constituency. Therefore I think it is only right and proper that I should say something on behalf of my constituents. Hon. members presume, when a member rises to speak about his constituency, he has some knowledge of his subject. Before dealing with that question, on behalf of the citizens of New Westminster and the surrounding district I should like to say how much they appreciate the honour that has been conferred upon Senator Tom Reid by his elevation to the Senate. He served his early term as an apprentice in this house faithfully and well. I am sure the people I represent would want me to convey to the Prime Minister (Mr. St. Laurent) our appreciation of and thanks for this worthy appointment.

New Westminster is an industrial city and includes the port of New Westminster, the fastest growing fresh water port in the Dominion of Canada today. It is an export and import point, and very little coastal shipping goes in and out of there. Within the bounds of the city there are many industries. We have some of the largest lumber mills in the British empire. There is salmon fishing on the Fraser river, and we have the great salmon canning industry employing about 20,000 of our people. Across the river we have three rural municipalities, Surrey, Delta and Langley, whose main pursuit is farming. They run approximately fifty miles inland along the south bank of the Fraser river, and are bounded on one side by the river and on the other by the international boundary. I mention these three municipalities together with my own city for the simple reason that there are very few things which come up in this house which do not affect them in one way or another. In that district I believe we also have the largest poultry farming area in British Columbia.

I come here, Mr. Speaker, not with experience with the senior government but having municipal experience and the municipal point of view. I served on the council for five years, and as mayor of New Westminster for six years, and for a term as president of the union of British Columbia municipalities. After having spent so much time in municipal life naturally my feelings today are for municipal governments. Therefore I should like to devote part of my time to some of the problems facing the municipalities today.

I listened with a great deal of interest to the previous speaker, who dealt with many of the things I had intended to mention. However, I shall try to elaborate on them from my personal experience. One of the first things I should like to deal with is the financial set-up in the municipalities. No doubt you are all well acquainted with the means by which the municipalities do their financing. Land taxation seems to be the main source of revenue, though certain large cities have a business tax, while others have public utilities from which they derive certain benefits. In the main, however, their revenue comes from the land; and when under provincial legislation education is left to the municipalities, it means that education must be paid for by taxes imposed on land.

During the recess I visited several municipalities in the west, and for a moment I should like to touch upon one point in regard

to unemployment. Much work could be provided by the municipalities if they had ways and means of raising the money to pay for it. As the previous speaker mentioned, it is only too true that a municipality must approach this government through the provincial government, because the province is asked to be responsible for the finances of its municipalities. That prompts me to suggest that we should bring back the municipal aid act that was discontinued in 1937. There is no doubt that if this aid were given today it would go far toward helping the municipalities take care of their unemployed, and thus assist in alleviating the unemployment situation that exists today. This aid was given at a time when unemployment was at a low level. Such work as ditching, brushing and similar projects could be found in any municipality. I realize that this assistance must be applied for through the provincial government; I understand that the municipalities of British Columbia are requesting the government of that province to apply for that aid once more. I am making the same request now, so that if possible the municipalities may have that assistance now or in the immediate future.

I think we all agree that the strongest link in our chain of government is the municipal government. At the last dominion-provincial conference some of the municipalities were left out. I believe some of the provincial governments took their municipalities into their confidence before going to the conference, but that was not the case with all provinces. We in British Columbia were not allowed to submit any requests to our government to be brought forward at that time. I do not see how we can change the constitution of this country as it affects the general dominion-provincial set-up without in some way interfering with the provincial-municipal set-up as well. So I suggest that when the next dominion-provincial conference is held this government should see to it that a representative group from the mayors' association is given an opportunity to present their views, in the form of a brief or otherwise, before final agreements are reached.

As one instance of what I have in mind in this connection I might mention the amusement tax which this government took over during the war. When that tax was dropped most of the provincial governments imposed it for their own benefit. Personally I believe that when the dominion government dropped that tax it intended that it should go back to the municipalities. In a municipality, say the council is called upon to submit a bylaw to the people to find the money to put up a skating rink or other recreational centre, which may be of value in improving the health of our future citizens, but the ratepayers are still burdened with a 25 per cent amusement tax that was then imposed, merely because professional hockey or baseball is being played there. I am citing one instance to more or less substantiate what I was saying about dominion-provincial-municipal relations.

I should like to say a word about the housing act that was passed last year. In all sincerity, I congratulate the government upon the institution of an act which will do something towards supplying these badly needed homes. I believe that these houses can be of greater benefit in the large urban centres than they can in our fast-growing rural areas. During the recess I had an opportunity of speaking to the representatives of various municipalities. I learned that the big problem in opening up land for building purposes is not the question of repayment of the cost of the necessary utilities, but the question of schools. The building of new homes in communities that are already overcrowded only means increasing an already heavy school burden. I think perhaps this government should do something towards helping to finance these schools.

As one who has served on a municipal council, I should like to take this opportunity of thanking the government for recognizing crown lands and granting assistance in lieu of taxation. It may not be just what we wanted, but at the same time it is a step in the right direction. Action in this direction has been long overdue, and I feel that in starting with the thin edge of the wedge, the government may be induced to go further in helping the municipalities pay for the services that have been such a burden to municipal ratepayers.

I have listened, Mr. Speaker, with a great deal of interest to the many speakers in this house. Since I am a new member and do not know many of them, it is rather difficult to grasp their ideas, or the criticisms which they have aimed at the government. Listening to the speeches here reminded me of the years I spent as a trade unionist, listening to many interesting speeches about the law of supply and demand. Any man who could solve that problem would be held in the highest esteem. As one listens to this debate, one is reminded of the many occasions upon which we have seemed to be on the point of solving that problem, but apparently because something has been left out of the formula, we dropped back. It seems to me that if we could only solve that problem we would be able to go forward at much greater speed.

It is my intention today to try to offer some few suggestions, first of all, about unemployment. I believe we must look forward to a properly planned program. If we had such a program from one end of Canada to the other, it would go a long way towards solving the unemployment problem. We understand that most of the unemployment today is of a seasonal nature. Nevertheless, we do not know exactly when something more serious is going to happen, and if we have not a program we may be called upon to pay out millions of dollars in the dole. In connection with this planned program, I believe we could follow the lead of the many municipalities that have adopted town planning programs. That is on a small scale, but we could probably follow some such plan from one end of the dominion to the other.

I should like to mention some of the things which should fit into such a planned program, as I see it from looking at conditions in my own constituency. First of all, it will be necessary to have a certain amount of building construction throughout Canada, regardless of the area or whether it is done by private enterprise, the dominion government or the provincial government. The dominion and provincial programs should be lined up to fit in with the number of trades we have in Canada. If we knew the number of trades that would be involved in any depression, some kind of program could be worked out. I do not believe in this idea of putting advertisements in the paper every spring for tenders on public buildings. I believe that work should be spread over a period of time, and the places selected in which it is necessary to give employment.

I should like to say a few words about another problem that I believe faces us on the Pacific coast. It is something that should be planned for, and that is our export-import trade. What are we doing or what are we going to do for the necessary facilities to handle these cargoes? For instance, in the port of New Westminster we have nine docks. Before the war the largest number of deep-sea ships that ever came into that port was about 550. We are now faced with this problem of trade that we expect will arise with the Far East—that is, with Japan and China—from which most of the trade to that port came before the war. I am certain that the present dock facilities in the port of New Westminster will never be able to handle that trade, and I am quite certain that Vancouver today has not the facilities to handle it. I am only mentioning this matter because it is something else that no doubt should be planned, so that money could be loaned and we would know just where we were going.

I should like to mention another matter which I believe would be of some help to the growth of this country, and which I believe should be investigated; I refer to the matter of a free port or free zone or free warehousing in the various ports of Canada today. We have heard many speakers on this particular problem. We know that in Seattle there is a certain area for this purpose, but I do not believe that Canada has ever gone into the question and made a thorough investigation of a free port or free zone or free warehousing in order to build up our ports. It is not a new thing. It is over two hundred years old on the European continent, but I do not believe that we have ever gone into it, to find out whether it would be of benefit to us or not.

Another matter that I believe we should investigate thoroughly is that of railways, not only those nationally-owned but also the ones owned by the provinces. I am not speaking with regard to any other province than British Columbia. At the present time we have a railway starting from a certain point and going a certain distance. There is no doubt that it is the intention of the provincial government to finish the railway which will be of great benefit not only to British Columbia but also to the Dominion of Canada. As to planning the final stages of that railway, I believe it should be done in conjunction with the federal government here, with our Department of National Defence and perhaps with our friends across the border in the United States. It may not be necessary to call in all those bodies but it is my belief that in planning for the future that is something that certainly should be taken into consideration.

As to unemployment, I have just this one other suggestion to offer with regard to a planned program of work to be done, and that is a tunnel across the mouth of the Fraser river. Here is a project valued at around $6 million or $7 million. It may not have any direct bearing on the dominion government, but it has on the provincial government. In planning for the future, here is one project that should be given consideration at the present time. An organization of some 350 members and several of our municipalities request this tunnel. The only thing they ask for is $10,000 for a proper survey. The tunnel, which would be paid for by tolls, would give employment to thousands at the present time. It is a project that would cost in the neighbourhood of $5 million or $6 million. It is almost impossible to find out where the help would come from with regard to getting such a project started.

I am not going to say any more at this time, Mr. Speaker. I have a great deal of material before me, such as press clippings. It was my thought at the start that I would endeavour

to speak for forty minutes, this being the first time that I have offered a word at all in this house. As time goes on, however, and as I become more acquainted with the proceedings, I am certain that you will hear further from me. I think I can say on behalf of my own constituency that we appreciate what the government have done and the good work they are doing at the present time. I am sure that the program enunciated during the last election will be fulfilled. The Prime Minister (Mr. St. Laurent), in his very able speech on the address in reply to the speech from the throne, mentioned that the promises made during the election would no doubt be fulfilled; at the present time some of them have been fulfilled. I am not going to say anything more, except that I am glad to have this opportunity to address the house, and I hope that some of the suggestions I have made will be given serious attention by the government.

Mr. F. D. Shaw (Red Deer): At the commencement of my remarks this afternoon, Mr. Speaker, I should like to extend congratulations to the mover and the seconder of the address in reply to the speech from the throne. I believe that all of us who heard the hon. member for Kindersley (Mr. Larson) and the hon. member for Villeneuve (Mr. Dumas) will agree that they acquitted themselves in a commendable fashion.

The throne speech itself covers a wide range of subjects. I noted, among other things, reference to the conference with the representatives of the provinces, housing, the trans-Canada highway, international affairs, national defence, employment and unemployment, trade, rent control, veterans legislation, revision of the Indian Act, and so forth. A number of those subjects have already been debated rather extensively during this session. It is not my desire nor my intention to endeavour to cover them all. In fact, in the forepart of my remarks I intend to depart from them almost entirely. The reference to the Indian Act may have taken my mind back to something which I brought before the House of Commons on December 9 last. Hon. members who were here on that occasion may recall that we were considering the estimates of the Department of National Health and Welfare, Indian health services, and I brought before the house then a specific problem of great importance. It is true that the problem related specifically to my own constituency and affected approximately 350 persons, namely, the treaty Indians of the Sunchild Cree reservation and the non-treaty Chippewa Indians of that area. In the course of my observations in December I laid emphasis upon the extremely appalling health conditions which then prevailed among that group of people, and they still prevail. I attributed these conditions to a number of things, among which were inadequate housing and no plans for properly executed enterprise, but above all else, Mr. Speaker, no plans to conduct a comprehensive health survey among these people. Upon that occasion I had intended to deal in great detail with exactly what had taken place during recent months and recent years, and to present to this house a comprehensive analysis of the problem from every conceivable angle. But the Minister of National Health and Welfare (Mr. Martin) rendered such a task on my part unnecessary—at least I thought it was unnecessary—when he interjected the following words which are recorded in *Hansard* for December 9, at page 3008. I would remind hon. members that he interjected after I had spoken for ten or fifteen minutes:

> I wonder if I might say a word, after which my hon. friend may not find it necessary to go a great deal further. He will recall bringing this matter to my attention earlier. As a result a survey was undertaken, and a nurse is to be appointed. We had hoped to get her out there quickly, but she has to leave another post to follow up on that survey. I want to thank my hon. friend for bringing the matter to my attention. I can say also that arrangements have been made with the doctors there which I believe are satisfactory. Following my hon. friend's suggestions I think he will find that we are taking corrective action.

I expressed my appreciation to the minister and to the government and I said that I would not go further upon that occasion. After all, what I was seeking was a solution, but I did conclude by saying this:

> I shall go among these Indians and talk to the doctors and the nurse.

The minister said:

> I hope you will keep me advised. If not, I shall go out there myself.

Last month I did spend a good deal of time out there and what I learned could cause me to be caustically critical today, but rather my speech will be delivered in an atmosphere of sorrow, sorrow for being taken in the way I was last December.

On January 9 and January 10 and again on January 28 and 29 I went into the Rocky Mountain House district. I conferred with the doctors, I conferred with hospital authorities, I conferred with many persons in town, I conferred with a number of the Cree and the Chippewa Indians, and I learned this: First, that no arrangements whatsoever had been made with the doctors. To this day they have not had the scratch of a pen from the Department of National Health and Welfare relative to that matter. Second, no arrangement has been made with the municipal hospital for the admission of Indian patients; in fact, they are being excluded in the absence of an agreement. Third, there

was no evidence of any health survey being undertaken, unless it can be said that for a nurse to come into town one day, which is thirty miles from the reservation, and go out the next, is a health survey. Personally, such could not be considered by me as being an acceptable survey at all.

Obviously the Minister of National Health and Welfare has some explaining to do. I realize that he cannot have a personal knowledge of everything that goes on within every branch of his department. I will concede that point. He must depend upon the information which is conveyed to him by the authorities of the various branches within his department. Possibly he was taken in. In any event there is some explaining to do, or else he is going to experience some difficulty in getting out of doing what he said he might have to do, namely, go in there himself.

May I emphasize, Mr. Speaker, what I said upon that occasion, namely, the desperately bad situation among these people. It is not only these people who are affected. Some of them are in town every day, and they are circulating among the white people. Let me remind the house that it is estimated 50 per cent have tuberculosis, and it is conceded that an equally large number are inflicted with venereal disease.

It is conceivable that the Minister of National Health and Welfare, or the officials of his department, may have negotiated arrangements with doctors other than those in the town of Rocky Mountain House. That was not the implication in the statement that was made last fall, because I mentioned the doctors by name. It is conceivable that they may have made some type of arrangement for hospitalization elsewhere than in the vicinity; it is also conceivable that they may have a health survey in operation; but it is one of these things that certainly it is impossible for anyone to detect.

Let me emphasize, the logical place for these people to be treated is locally. The logical place for them to be hospitalized, except of course in advanced cases of tuberculosis and so on, would be there. I would say in cases of tuberculosis the patients should be taken to the Charles Camsell hospital. That would be the proper place for them to be treated. The effect of the failure to negotiate an agreement with the hospital and doctors in this area simply means that 98 per cent of the patients are beyond hope when they reach the Charles Camsell hospital in Edmonton.

Last fall I read case histories of people ranging in age from five years to thirty-six. Those reports would almost make one's blood run cold. I am not going to take further time upon that matter. I trust that the Minister of National Health and Welfare will be prepared to take action in this matter. If not I am going to press the matter upon every conceivable occasion that I can squeeze it in. I trust that at least before this session of parliament is over we shall be able to say that some concrete action has been taken to solve this problem.

On the same day, December 9, we were discussing the Indian affairs branch, which came under the Department of Mines and Resources at that time. I referred to this health situation and said to the Minister of Mines and Resources: "It will be extremely necessary for the officials of the Indian Affairs branch to give serious and thoughtful consideration to the responsibilities that rest upon them in this connection." At that time I referred to the question of the Chippewa Indians refusing, up to that date, to accept treaty. From what later took place, Mr. Speaker, I know that my remarks were misunderstood, at least in one quarter. I criticized the actions of someone, whom I did not desire to name, in the method of dealing with these Chippewa Indians. At that time I was referring to the former Indian agent, and I was not referring to anyone else. I stated at that time that I was not satisfied with the operation of the agency at that point, and I was not satisfied with the economic aspect of the problem as related to those Indians. I want to pay tribute to the former Minister of Mines and Resources, because he at least took the first and most essential step.

The new agent at Rocky Mountain House possesses, I believe, the experience and knowledge necessary to qualify him for his position. We feel, too, that his generally sympathetic attitude towards the problem will commend him for that post. We hope he will be able to meet and to solve the many acute problems which have existed for too long. But his success or failure will depend upon two things: To an appreciable extent it will depend, first, upon government policy and, secondly, upon the degree of co-operation he receives from his superiors.

I went right into the reservation, which is thirty miles from the town of Rocky Mountain House. It is a heavily timbered area. Upon that occasion I had what is sometimes called a powwow with the Indians themselves, and here are a few of the things I learned from personal observation and from discussion with them. I should hope my comments would be conveyed to the officials of the Indian affairs branch.

I learned, first, that the Indians in that area are asking for only one thing, and that is the opportunity to be self-supporting. May I add in passing that there is very

little evidence of any encouragement being given to them, a feature which is most essential if they are to become self-supporting. There must be an appropriation for livestock. Some time I am going to inquire as to the exact amount of money spent in there. Lands must be cleared under supervision in order to provide feed for the livestock—and I use the word "cleared" because this is a wooded area. Nothing could be more appalling to the individual than to see what I saw there—livestock dying from lack of feed. Nothing could be more discouraging for the Indians than to clear land, as many of them did, on which feed could be grown, and then to have that ground stand for three or four years, and not have it inspected or approved for breaking until the end of the four years. Then it is broken in October. I am sure the Minister of Agriculture (Mr. Gardiner) will appreciate what happens to land when it is broken at a time when frost is setting in at night, in the month of October.

There must be supervision in the matter of home construction. It is ridiculous to make appropriations for home construction in that area, and then permit to happen that which has happened. Many of these homes have been spoiled because no one has told the Indians how to mix cement. It is mighty hard to stomach a situation where windows, doors, roofing materials and other building materials have been left out in the open for two years, and have deteriorated to a point where they are valueless. These are materials which, I presume, were purchased for the use of the Indians.

Here is one of the worst features of the whole thing. It is estimated that there are 25 million feet of merchantable timber on that reservation—and I have that figure from an expert lumberman. If that timber were farmed, as we say, those Indians would have a million feet of lumber per year for the next twenty-five years, or a half million for the next fifty years. But that timber is now being murdered—and I can think of no other suitable term. They have a saw mill just outside the reservation, operated by a white man—and incidentally he is one of the best, and is one hundred per cent interested in the Indians. However, he has no authority to set foot on the reservation.

Those Indians are in there cutting the timber, and it would look as though they are just shutting their eyes and swinging their axes. The result is that they are leaving some of the best timber, the large trees, to blow over, after they have taken the rest of it. They have been given no guidance in this matter, with the result that the cost of moving the logs out and making the lumber is almost prohibitive.

Surely it is not too much to ask the department to give the Indians the instruction and advice which is necessary if they are to make the best possible use of that timber. I suggested last fall, and I repeat it today, that assistance should be given to enable them to take one or more smaller, portable saw mills in on the reservation.

I understand some steps are being taken in the matter of education, but little progress is being made. The Indians have been instructed to cut logs about thirty feet long for a school but I doubt very much if they will ever be able to get them out to the proper place, because there is no supervision in their cutting.

As it is almost six o'clock, and I could not possibly finish before that time, I would move the adjournment of the debate.

Motion (Mr. Shaw) agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will continue this debate.

Motion agreed to and the house adjourned at 5.55 p.m.

HOUSE OF COMMONS

Thursday, March 2, 1950

The house met at three o'clock.

DIPLOMATIC INSTRUMENTS

CANADA TREATY SERIES OF 1948 AND 1949

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I table herewith eleven documents, which are diplomatic instruments published in the Canada treaty series of 1948 and 1949. Perhaps the list might appear in *Votes and Proceedings*, unless hon. members would wish me to read it now.

MERCHANT MARINE

CANADIAN DEEP-SEA SHIPPING INDUSTRY—QUESTION AS TO GOVERNMENT ASSISTANCE

On the orders of the day:

Mr. J. H. Dickey (Halifax): Is the Minister of Transport in a position to give the house a statement as to the steps that have been taken to implement the $3 million assistance program for the Canadian merchant marine?

Hon. Lionel Chevrier (Minister of Transport): Well, Mr. Speaker, I am afraid I am not in a position to answer that question fully. Speaking generally I can say that the maritime commission have already put in motion the usual procedure to deal with the situation following the statement made in the house by the Prime Minister last December. I believe that early in December last they invited all ship operators and ship owners to forward their applications, indicating whether they wanted their ships transferred to the United Kingdom flag or whether they wanted to take advantage of the $3 million subsidy which was announced. I do not know whether my hon. friend has anything particularly in mind, but that is the general position as I know it.

The Prime Minister calls to my attention the fact, in addition to what I have said, that there is an item in the estimates to cover the amount of the subsidy.

NATIONAL HARBOURS BOARD

MONTREAL HARBOUR COMMISSION—REPORTED OFFER TO SELL RAILWAY LINES

On the orders of the day:

Mr. Leon Balcer (Three Rivers): I should like to ask the Minister of Transport whether it is within the knowledge of his department that the Montreal harbour commission has offered its railway lines for sale to the Canadian National Railways. If so, is the minister prepared to make a statement about this transaction?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, it seems to me a question of such importance should require some notice. However, I am not aware of the position to which he refers. I am aware of the fact that the members of the national harbours board did go to Montreal, as they go to all other ports under their jurisdiction, to discuss routine matters affecting the affairs of the port. I presume that they did have a discussion on routine matters when they were in Montreal, but I am certainly not in a position to deal with the question the hon. member has put.

HOUSE OF COMMONS

RETURN OF MR. HOWE FROM EUROPEAN VISIT

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I rise on a question of privilege. I feel very safe today because my neighbour, the Minister of Trade and Commerce (Mr. Howe), is back, safe, from overseas.

RENT CONTROL

WARTIME LEASEHOLD REGULATIONS—QUESTION AS TO ASSUMPTION OF CONTROL BY PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Finance? Following the supreme court decision of yesterday with respect to rent control, will the minister say whether the offer of the federal government to pay the cost of administration for one year to any province wishing to take over these controls still holds good?

Hon. Douglas Abbott (Minister of Finance): Yes, Mr. Speaker, that offer still holds good.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, March 1, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. F. D. Shaw (Red Deer): Yesterday afternoon, Mr. Speaker, I devoted my entire time to the consideration of several problems relating to the Sunchild Cree and Chippewa Indians located within my constituency. On that occasion, I laid emphasis upon the fact that as yet there is no indication whatever that the Department of National Health and Welfare appreciates the seriousness of the problem of health among these Indians. Moreover, there is no indication that appropriate steps have been instituted to meet, or even partly solve, the problem which exists.

In my opinion this results from one of two things. Either it is believed by some that this problem affects only a limited number of people, possibly removed from the well-beaten paths of the white man, or else government policy itself is such that justice cannot be rendered to these unfortunate people. In referring to policy I should like to quote from a statement made by the minister. I understand that this was in the form of a directive which was sent to certain of his departmental officials. It reads as follows:

> While the dominion government has assumed specific obligations with respect to certain citizens, the only responsibility with respect to persons of native status is to organize a health program for those groups which are as yet unable to make such arrangements independently. The officers of the Indian health services are charged with the responsibility of judiciously administering funds appropriated for this health program. It is not the intention to operate a complete but non-contributory service. The service now provided is certainly far in excess of that ever promised by implication.

I should like also to quote from a statement made by the director of Indian health services. He is even more specific. He said:

> The federal government is under no obligation to supply free medical attention to any Indian.

This statement is in direct conflict with that of another departmental official, namely, Dr. Meltzer, medical director of the Charles Camsell Indian hospital in Edmonton. He said:

> The health of Indians is our direct responsibility.

I would suggest that, when the Indian affairs committee meets, some members of the committee take up these statements and endeavour to get a clear-cut assertion of government policy and responsibility in this field. That is all I am going to say, Mr. Speaker, about Indian health services.

Yesterday I referred to other aspects of the problem falling within the purview of the department of Indian affairs. In concluding these remarks I just want to say that I should like to see immediate action taken to block out the timber I mentioned. I feel it is essential, and probably it will be done. I want to see some supervision of the construction of those houses, and some expert advice provided for these Indians, in order that they may put under cultivation the land suitable for agricultural purposes. In this way food could be produced for the livestock which they now have, and must have in greater numbers if they are ever to become self-supporting.

I should like to emphasize that obviously some people who deal with the Indians do not know that you cannot break faith with these people and expect to obtain the results which government policy should be designed to obtain. For example, you cannot tell the Indians to meet at a certain point on December 21 to receive certain parcels which are provided for them at Christmas, have them wait two or three days with no one showing up, have many of the parcels still undelivered a month later, and still expect the Indians to have faith. I know that a new Indian Act is to be brought down. I know also that it will take more than an act, it will take more than words, to deal effectively with such a long-standing problem as Canada's Indian problem. It is essential, Mr. Speaker, that along with the act there must be the proper spirit; there must be the will to do the right thing for these people. Above all we must cease to look upon the native population as an inferior people; that has been one of our principal difficulties.

I wish the new minister who is handling the Indian affairs branch all the luck in the world. I believe he will approach this problem in the right spirit. I trust that his desire to meet and solve the problems connected with the new Indian Act will result in a solution.

There is one other thing, Mr. Speaker, to which I should like to refer this afternoon. There is a reference to it in paragraph 3 of the speech from the throne, which reads as follows:

> In the meantime negotiations are proceeding with the provincial governments for the implementation of the legislation adopted at your last session respecting housing, a transcontinental highway, and forest conservation.

It is to the trans-Canada highway that I wish to devote a few moments. This matter has always been an issue, but when it became a live issue it was very interesting to me to observe how quickly chambers of commerce, boards of trade, city and town councils, agricultural and other organizations got busy to plug for certain specific routes, especially in western Canada. New organizations came into being, and caravans began their weary trek across to the western coast in order to win support for specific routes, as well as to create on the part of the people who live in

those areas an interest in the matter. Tons of literature were printed and distributed across the country. As a matter of fact the battle of the route was actually fought, partly at least, on the floor of this house.

My personal conviction with respect to this matter might be summarized in this way. First, defence and the economic welfare of Canada certainly demand that a trans-Canada highway be constructed without delay. Second, I was hopeful that this matter would never become a political football. Third, I was convinced in my own thinking that if the right thing were done, a fact-finding body made up of provincial and federal representatives would immediately come into being. Of course my fourth view is that eventually, at least as to that part of the country from Winnipeg west, we would have a series of routes; that is, you would probably have upwards of four transcontinental highways.

One thing that has struck me—and this applies particularly to the route within my own province, or what might become the route—is that newspaper and other references have always been to the Crowsnest pass route, the Kicking Horse pass route or the Yellowhead pass route. The hon. member for Lethbridge (Mr. Blackmore) and others have plugged hard and consistently for the Crowsnest pass route. The hon. members for Medicine Hat (Mr. Wylie), Calgary East (Mr. Harkness) and Calgary West (Mr. Smith), have plugged for the Calgary-Banff route, the Kicking Horse pass route. The hon. members for Battle River (Mr. Fair), Vegreville (Mr. Decore), Edmonton East (Mr. Macdonald), Edmonton West (Mr. Prudham), Peace River (Mr. Low), and Athabaska (Mr. Dechene), have all plugged for the Yellowhead pass route. While I do not want to start the battle here again, it is amazing to me that all of them, in their anxiety to have the route pass through their own communities, have completely overlooked the fourth and most practical route of all, namely, the one that goes through what is now referred to as the David Thompson route.

The hon. member for Rosetown-Biggar (Mr. Coldwell), and the hon. member for Kindersley (Mr. Larson), could both advance strong arguments, I am sure, to show this house and the country why the trans-Canada highway should not go through the semi-arid, semi-desert areas in southern Saskatchewan and southeastern Alberta. I am sure they could give ever so many reasons why it should go through their constituencies after proceeding westward from Winnipeg. I am sure that the hon. member for Acadia (Mr. Quelch) could give ever so many reasons why that same route should pass through his constituency. If it does pass through these three, as it should, then it could not help reaching the city of Red Deer in the province of Alberta.

An hon. Member: Where is that?

Mr. Shaw: Someone says: Where is Red Deer? Possibly I could answer that question by quoting from a short editorial which recently appeared in the Edmonton *Bulletin:*

> Red Deer is one of the Alberta points to watch. The city with the interesting past has a very promising future.
>
> Strategically situated midway between Calgary and Edmonton, it is an ideal location to take advantage of the current trend to decentralize industry.
>
> On many occasions in recent months Red Deer has been cited as an up-and-coming industrial centre, and faith in its future has been expressed by the dominion itself in announcement from Ottawa that it is going ahead with a $361,000 federal building.

May I just digress at that point, Mr. Speaker, to convey to the Minister of Public Works (Mr. Fournier) and to the government the appreciation of all of the citizens of the city of Red Deer, and my own, of the fact that finally that great problem which does exist in the city of Red Deer has been recognized and is now to be met. We are pleased that a building of that size is to be constructed in that city. I continue the quotation:

> Apart from its location and facilities, Red Deer is well able to take care of continued growth, for it is the centre of one of the most lush mixed farming areas in the province.

What a contrast that is to the constituency of the hon. member for Medicine Hat!

Mr. Wylie: That is one man's opinion.

Mr. Shaw: The editorial continues:

> Then too, it is the hub of a new highway into the Nordegg country of the foothills to the west.

Incidentally, Nordegg is one of the greatest steam coal producing areas in western Canada. I hope the Canadian National Railways and the government will soon begin to realize that fact. The editorial goes on:

> Completion of the highway will tap rich natural resources of timber and coal for Red Deer's benefit.
>
> It is expected the highway will continue west from Nordegg into the mountains to join the Banff-Jasper route, and, if that happens, Red Deer will find itself in a class with Edmonton and Calgary as a jumping-off place for the summer mountain tourist trade.

I still think it is ahead of them, but that is the opinion of the Edmonton *Bulletin.* Finally:

> All told, Red Deer is out front as another good place to live in a good province.

That is the end of the *Bulletin* editorial. If one goes on west of the city of Red Deer he passes over one of the finest mixed farming parts of Canada into the town of Rocky

Mountain House. That name alone indicates to hon. members what lore must be associated with a town having such a name.

Mr. Blackmore: Especially "Rocky Mountain".

Mr. Shaw: From Rocky Mountain House one travels over an area in which the province of Alberta today is in the process of constructing one of the finest highways to be found in that part of Canada. As I said before, you reach Nordegg, where the great Brazeau collieries produce a tremendous amount of bituminous coal for use in Canada's industrial life. From there westward this route would pass over the Kootenay plains. You have heard of tropical valleys, Mr. Speaker; British Columbia has boasted about them from time to time. Here we have the best example of what might be called a tropical valley in our Rocky mountains. These Kootenay plains are as flat as the prairie district. The temperature there is always fifteen to twenty degrees above that registered at points outside the pass. There is no snow in there at times when there are two feet of snow on the prairies to the east; and this road passes through to meet the Banff-Jasper highway. For forty-five miles beyond the Banff-Jasper highway the road would extend through the Howse pass, which is the lowest pass in the Canadian rockies, with an elevation of 4,840 feet. This area would be one of the easiest to keep free from snow in the wintertime and one of the least costly to construct. There is less snow in that area than in any other section of the Rocky mountains on the North American continent.

That is quite a contrast, Mr. Speaker, to the thirty feet of snowfall that you often find around west of Banff and Lake Louise. We still think—and these remarks are addressed to the government of Alberta as well as to the government of Canada—that if they are interested in establishing the trans-Canada highway where it will cost least to construct, where it will cost least to maintain, where we have natural beauty unexcelled on this continent, and where wildlife abounds in untold numbers; if they realize the advantages afforded by this route, coupled with the low elevation, there will be no question as to where the trans-Canada highway will run in that part of Canada.

I would say to the government of Canada and also to the government of Alberta that if this highway goes through Calgary, then Lethbridge and Edmonton will be offended. If it goes through Lethbridge you are going to offend the other two. If it goes through Edmonton it will also offend the other two. We do not mind offending all these cities—not a bit. We feel that if the governments involved do not want to offend just two of them they will hasten to accept the route which I have mentioned as the logical one for the trans-Canada highway. We feel that one could give this government and the provincial government the best possible arguments and support for such a decision. My personal hope is that eventually all the four cities which I have mentioned will find themselves on trans-Canada routes, because beyond question eventually from Winnipeg west we must have at least the four routes to which I have referred.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to begin by following the pleasant practice of congratulating the mover (Mr. Larson) and the seconder (Mr. Dumas) of the motion for an address to His Excellency the Governor General on their performance of the duties allotted to them. It is one of the pleasant things about democracy that, however much we may differ on principles, we are able to practise these amenities; and I might particularly say that this amenity can be practised today when we see the Minister of Trade and Commerce (Mr. Howe) back in his seat. However much we may differ with him, we are glad to see him here. We can assure him that his name has not been wholly forgotten; that there have been frequent references to him, some of which have been highly eulogistic and some not so eulogistic.

This afternoon I wish to bring to the attention of the house the question of foreign exchange control as it exists in the western world, by which I mean the non-communist world. I believe, though it is a subject that we have treated in the past with a good deal of perfunctoriness, it will not be hard to convince this house today that it is a matter of great importance to us all.

Foreign exchange control first of all came to us as a war guest. It was hoped and expected that, like other war guests which were more welcome than foreign exchange control, it might leave us at the end of the war. But then it was continued. It really was introduced into what I might call the financial family with a kind of legal status, in spite of the fact that its parentage was deplorable, as I shall show later. It almost seems as if the Minister of Finance (Mr. Abbott) now can hardly distinguish between this child, as I say of deplorable parentage, and the more respectable members of his family.

I hope that in the circumstances in which we find ourselves now we may be able to have this child sent off to the place where it originated, namely, the totalitarian countries, and that it may flourish there as best it can.

Of course it has developed a veneer of good manners, but that should not blind us as to its real quality.

I want to bring before the house this afternoon four considerations. First I wish to satisfy the house—and it should not be difficult—that we are suffering from exchange control now; that the fetters which tie the non-communist countries are dividing it into two areas, with the dollar-sterling curtain in between; that in a sense they are driving us back to barter; they are depriving us of the progress of centuries.

Second, I wish to deal particularly with the devaluation that took place last autumn, and seek to convince the house that devaluation is not enough; that devaluation without freedom will not alone do the job.

Third, I wish to convince the house that if every nation waits until everyone is ready we may wait until it is too late; and I hope we in Canada, who are often fond of talking about the value of our example, may be able to give some kind of example here.

Finally, I wish to argue that we are in a favourable position to do so.

This is not the first time that I have attempted to interest the government in this question, but in the past I have been unsuccessful. When people are prosperous, when everyone has his pockets full of money, when he believes that everything is for the best in the best of all possible worlds, it is very hard to get him to believe that any clouds can arise on the horizon at all; but I think the difficulties are now beginning to emerge. So far as I can understand, it is not very difficult to persuade the farmers that not everything is still good. Take just one other industry to which I shall refer later; I think the newsprint manufacturers may have something to say about the difficulties which exchange control is causing them.

I hope to be able to satisfy the house and the government that the villain in the piece in both these cases, and in others as well, is the foreign exchange control measures which are spread all over the so-called free world, and which are getting in the way of those who are trying to carry on business. I hope that now that the farmers and the industrial workers can accept that, even the government may accept it.

Crooning to the farmers has gone out of fashion since last spring, and we no longer live in that pleasant Never-Never land where Peter Pan lived and where he never had to grow up. I think we are growing up. I think the government is showing signs of learning things. The government learned between Monday and Wednesday of last week that there was unemployment in the land. On Monday we had the speech of the Prime Minister (Mr. St. Laurent), which really made one wonder whether it was not almost indecent to suggest that there was any unemployment at all, so insinuatingly, so persuasively, so almost absent-mindedly he spoke of unemployment, as if it really was not here at all, or if it was it was just an accident of the climate, and that it would disappear with the spring when the birds come again. Well, on Wednesday, a few days later, apparently they had a change, because the debate on the address had to be invaded for the second or third time in order that the unemployment insurance measure could be carried through—and it was a very good thing it was carried through, though the surprising thing is that the Prime Minister did not know on Monday that it should be. Therefore, as I say, I have hopes for the government, and of course the hopes are accentuated by the return of the Minister of Trade and Commerce and by the foreword which appeared in the morning papers as to his arrival.

I am reading from the Montreal *Gazette* which carries a headline reading: "Howe predicts more exports." This headline rang a bell in my memory. I looked back and I found that on May 9, 1949, there was a similar headline in the Ottawa *Citizen* which read: "New deal disclosed by Howe." That was on May 9. That is what you might call an election sweetener. We read lower down that the Minister of Trade and Commerce said that he had negotiated contracts to the total value of $25 million. That is not a very large amount in the face of the whole of our trade; nevertheless there it was for what it was worth.

It is interesting to turn back to what the Minister of Trade and Commerce told them in New York yesterday. He explained that he was on a holiday during which time he "made efforts to encourage some countries to increase their exports to Canada." Then he says this:

> The over-all outlook for increased trade with Europe is improving all the time.

That is good. The Minister of Agriculture (Mr. Gardiner), I know, will be very glad to hear that. In fact it is a pity he did not know it a little earlier. The minister goes on and says:

> Canada was encouraging private businessmen to arrange barter deals—

I suppose if we cannot have trade we can barter. If we cannot have real trade we have

to barter. It seems a pity we have to go back to the past like that. Next the minister said:

> We are encouraging such deals because we want to make it as easy as possible for private trade to function.

Then at the end of the interview occurs this, which I find encouraging too. At the end of the interview the writer said:

> Mr. Howe is returning to Ottawa tomorrow where, he said, he faces "a few routine things to get back to."

Now, I think the minister may find when he finds out what has happened here that some of the things are not so routine as he might have thought. He will not find unemployment quite so routine. Nevertheless it is a good thing to have him back, because he is always so optimistic; of course he tries to make everyone feel that this government is an all-wise government. Certainly the Prime Minister has gone a long way toward suggesting that the Minister of Trade and Commerce at all events does have that qualification.

I said a moment ago that we were suffering from the shackles of foreign exchange control, and I should like to read one or two statements in support of that. I would like to read the familiar words of the Minister of Agriculture, from what he said in December last in Brantford. I shall read a short extract in advance of that, something he said on May 28 last. He told an audience in Winnipeg that what we needed was "more food products to sell".

That was on May 28. But by December 1 he was telling the farmers that they would have to buy where they could sell, and he went on to declare:

> The only place we can sell freely for the time being is Canada.

He suggested that we will have to sell in Canada; but it will be quite a task for Canadians to eat as much wheat as would take care of the Saskatchewan crop. Nevertheless that is what the minister suggested.

We all remember what the minister said in this House of Commons a short time ago, that there was a deliberate onslaught by the British government—and it will be noted it was the British government, not the British people—a deliberate onslaught on Canadian trade.

I should like to carry this one step further by saying what has happened to Canadian newsprint. As I recall, we had a contract for roughly 300,000 tons of Canadian newsprint. Canadian newsprint manufacturers had supplied Britain for years when it was inconvenient for them to do so, and at a price less than that at which the British could buy it elsewhere. The British importers were keen to continue the contracts, but in January, two months ago, the British government advised them that they could give no import permit for a period of six months, and that they were not able to give an assurance as to what would happen after that time.

I do not think anyone imagines that the British government are doing that out of malice or as a prank. The truth of the matter is that the British government, like other governments, are caught in this maze of controls which support overvalued currencies by rigid controls and rationing of foreign exchange.

It has been, so far, extraordinarily difficult to get people to buckle down to the task of taking this problem seriously, and if it was not for the fact that we are now finding ourselves in difficulties we would not get people to take it seriously even yet.

Controls are everywhere—import controls; export controls; controls of all kinds. It is in the air. Of course Great Britain in 1949 was the classic case. Every knowledgeable person except the Chancellor of the Exchequer knew that the pound was being dealt in at a figure far below the fixed rate, and eventually the Chancellor of the Exchequer had to come to devaluation; but there was no relaxation of the tightness of the controls. All that happened was that $2.80 was substituted for $4.03. In that connection I would like to read a sentence from the London *Economist*. Hon. members will realize that the London *Economist* is not only sympathetic but generous in its attitude toward the government. It sympathizes largely with the objectives of the British government. It says this about devaluation in its issue of October 15, 1949:

> It is now clear that the opportunity of devaluation has been missed. Abroad, there has been much disappointment, mixed with amazement, that so sharp a reduction in the exchange value of the pound sterling was not accompanied by the relaxation whatsoever of the restrictions that keep the pound so tightly inconvertible. "Devaluation," says one experienced continental commentator, "is usually the price paid for getting rid of exchange control. To pay so high a price and get none of the reward is a very bad business."

Now, as I have said, all the old powers have been maintained. There is, however, one hopeful sign; it is the fact that New Zealand and Australia have turned their faces away from controls. And in England last week the election returns could not be regarded as an enthusiastic endorsement of them.

Of course we must not overlook the great difficulties which England has. We must not overlook the three and a quarter billion

pounds of indebtedness they have. We must not overlook the fact that they spent such vast proportions of their resources in the carrying on of the war. But in addition to that there is and has been a doctrinaire mentality at work there. While tentative attempts have been made to introduce freedom to facilitate foreign investment, all that has happened is the substitution of one labyrinth of red tape for another: In the meantime the life-giving stream of foreign investments has remained cut off.

What, in plain words, is foreign exchange control? It means this: that the government of a country fixes in terms of its own currency the value of other currencies; then it enforces that rate upon the public, upon its own citizens, backed by the police power of the state, so that the citizens of the state can deal only at this fixed rate.

Those police powers you may recall. I do not wish to take too much time, but I should like to read one or two of the more extreme powers. They state:

> The governor in council may make regulations prescribing that persons who would otherwise be residents shall be deemed to be non-residents or that persons who would otherwise be non-residents shall be deemed to be residents for any of the purposes of this act.

I have always understood that the British parliament had powers to do everything except to make a man a woman, or a woman a man. But this section seems almost to go beyond that. Then there is this one further subsection I should like to read. Regulations may be made:

> Notwithstanding anything to the contrary contained elsewhere in this act, exempting any person or any class of persons or any transaction or class of transactions from any provisions of this act.

In other words this body, the governor in council, is given the absolute power to deal in any way it pleases. Let me add quickly that I think those powers have been, on the whole, exercised with judgment and with moderation. The fetters, so to speak, have been softened. Nevertheless there is the power. And let us never forget this: that when all other controls are done away with but foreign exchange control is left, it is the control of all controls. So long as the government can control arbitrarily every transaction in which any foreign money is involved, it has virtually complete control—an astonishing amount of power.

When one couples that with the Emergency Exchange Conservation Act, there is virtually nothing that cannot be done. Tomatoes and lettuce are "off again, on again". We never know whether we can have them or not from day to day. Perhaps we should learn something more about the tastes of the Minister of Finance and the Minister of Trade and Commerce—their own personal tastes in foods—so that we could try to forecast just how these things will be dealt with.

In plain words, every transaction, no matter how small, has to have a permit, and one's personal business becomes the business of the board. If you wish money to go to the United States, you must lay bare your affairs. If you wish to move to the United States, they have the right to ask why you are doing it—whether you are moving away from your mother-in-law, or what. They have the right to examine into your affairs and be satisfied in their judgment as to what should be done. If you wish to send a few pounds to Great Britain, you have to satisfy them that it is necessary, because they have this policing power. We tried hard to have some relaxation, but we were told four years ago that it was a case of whole hog or none. Is it any wonder that a distinguished citizen of this country described the measure as being a peacetime measure "which was unnecessary and one which interfered with the basic rights of Canadian citizens"? That was said by Senator Crerar in the Senate in 1946. Senator McGeer gave an amusing description of the permit power in the Senate when he said that you could not take a suitcase of personal effects across the line without a permit. Another senator said that if you wanted to abide strictly by the permit system you would have to cross the frontier in a state of nature.

What about the origin of this foreign exchange control? I said that it had a deplorable ancestry, and I shall try to substantiate that. Like the mule, it has no pride of ancestry, and I would hope it has no hope of posterity. We first heard of its being used by the bolsheviks in 1917; but the man who is the real inventor, the man who should be given the real honour, is Schacht, of Germany, who brought it in in the early thirties. I need not tell you that this was the key control, which, added to other controls, enabled Hitler, plus Schacht, plus the Gestapo to make all their preparations for war. If we may use the language of the racetrack, we may say that foreign exchange control was by Schacht out of Gestapo.

There have been other attempts to control international prices. Hon. members will recall the efforts in connection with rubber and coffee. I read a report in the press the other day which explained why the price of coffee had shot up. According to this report the reason was quite simple. The price was controlled, and then millions of coffee trees were taken out of production, with the result that there is not enough coffee to go round

and the price has gone up. I say nothing of the hardship to the persons involved—mainly, no doubt, small producers.

What I do wish to say is that it is just too hard for a few individuals to foresee the consequences of these far-reaching actions. If human beings were robots; if we were all economic men who moved according to mechanical rules, possibly there might be more to be said for it. But when you take human beings, each with his own desires and his own feelings as to how he will regulate his life, then when other people try to regulate it, it is a failure.

How much more difficult is it to regulate the price of a thing like money, which affects every commodity in the community, which enters into every detail of our life. How much more difficult is it to do that. It is not too much to say that this arrogant assumption of supreme wisdom always ends in disaster. When I say "arrogant assumption" I am not referring to those officials who have been carrying out the terms of this act; I am referring only to the general principle which inspires foreign exchange control and which I hope we may have the wisdom at least to begin to get rid of.

Of course exchange control has its friends. First of all there are people who are convinced that controls are right; there are people who believe in them. These are people whom I respect, although I believe their views are wholly wrong. I respect them because they are honest about their views; they say: Yes, we are going to control you; look out! I always hope that the kindly light of reason may invade their minds and one day they will drop those views; nevertheless there they are, and they are entitled to them.

But there is another and very different class of people whom I do not admire nearly so much. These are the people who proclaim constantly their adherence to freedom but who as a matter of fact like controls in their own affairs very much indeed. I am not going to go further on that except to relate to the house a little incident that came to my attention through a wise banker friend. He was talking during the war with an importer who told him what a happy life he was having. He said to the banker: "My imports come in at a fixed price; I sell them at a fixed price, and there is a pleasant spread between. I have no reason to worry about foreign exchange, because it is sold at a fixed price. I am able to shut up my office door about midday and go off and play golf". My banker friend made a very wise reply to him. He said: "You know what has happened, you are no longer in business". I think that tells the whole story.

[Mr. Macdonnell (Greenwood).]

I am fond of quoting the hon. member for Rosetown-Biggar (Mr. Coldwell) on this. He said something in this house with which I have always agreed and which I like to repeat: "I do not object to private enterprise, but if they are going to take the profits, they have to take the risks as well". I would not want it to be thought that I am quoting the hon. member for Rosetown-Biggar as the embodiment of divine wisdom, but I think that one statement was sound, and I should like to quote it to those who in my opinion are the worst enemies of freedom that you can find, because they proclaim themselves as being its friend when their actions give them away.

I should like to try to relate this specifically to our special difficulty with the United Kingdom. Why is it that we are losing markets and fear the further loss of markets in the United Kingdom? Of course it would be difficult if the pound were fully convertible. Then the people in the United Kingdom would be able to spend their money as they liked and where they liked. They would be able to buy wheat or anything else they wanted in this country, provided that the price was right. I am not going to suggest that convertibility would produce a miracle overnight, but I am suggesting that it would begin the cure.

I am suggesting that we are in danger—from this maze of controls. I shall support this by quotations; that things are going badly and there is no reason to expect that they will go any better. Incidentally I noticed in the annual report of the Royal Bank of Canada, issued the other day, a very wise remark by the president. He said that the real excuse for controls had gone now, that European production was up to the pre-war level. I understand that it is practically up to the pre-war level in agricultural production, and fifteen per cent above it in manufacturing production. In the face of this, consider the situation in England today, six months after devaluation. Apparently there is little or no money available for agricultural products from North America. Apparently there is no money for newsprint. What is the money used for? It is used to buy exclusively North American products, such as Virginia tobacco and films. That is not said in criticism of Great Britain; that is said in criticism of this system which has us all shackled and which we must get rid of.

Of course even if the pound went free tomorrow it would not suddenly give them all kinds of United States dollars, but it would begin the cure. As I said before, it would begin to liberate the stream of investment which would begin to flow in and correct the

present situation. At the present time competent economists will tell you that they wonder whether anything else will do the job; whether anything else can span the dollar gap.

The bitterest irony of this control which is supposed to be our salvation is that it cuts us off from the very thing which could begin to provide the cure—international investment. There have been, as I said a moment ago, attempts to bring about some kind of freedom of investment in England. I think they have changed the number of years after which you can take money out, or something of the kind. It is just one bit more of red tape which the businessman must cut when he wants to invest. A businessman does not want to have to deal with government officials; he wants to deal with other businessmen. Unless there is some great lure like western oil, they are not going to invest except where there is freedom.

Do not let us forget that this whole control system is only twenty years old, whereas we had scores or hundreds of years of the other system. During all that time, when the world was still civilized, we had none of this. Lest anyone say: Yes, while we may have had stability before the war, there was also from time to time great hardship on certain people, when adjustments had to be made. I will admit that there is some truth in that, but I say that with the new techniques we have, with our new attitude toward and belief in social welfare, those difficulties would be taken care of. Merely because those difficulties exist we should not resign ourselves to the evils of controls.

You have been listening to one who certainly does not set himself up as an expert, and I should like to call in one or two experts, as they said on the radio program "Information Please." I should like to read just a sentence or two from a report by a body which has been criticized in this house, the international monetary fund, but was eulogized the other day by a competent hard-headed banker, namely, the president of the Royal Bank. When a hard-headed banker eulogizes a body of this kind and at the same time indicates that he is an advocate of freedom, I think it is worthy of note. I should like to read from the report; it is short, and I would ask hon. members to listen very carefully.

The members of the fund—

This was in April, 1949.

—have the obligation to put into effect as soon as possible such measures as are likely at the same time to improve their payments position and make possible the gradual reduction and ultimate elimination of restrictions on payments and transfers for current international transactions.

Then it says this:

There are evident risks of various kinds in accepting the more competitive conditions that must follow such a policy; but unless these risks are accepted, the improvement in the world economic situation made thus far may be replaced by deterioration.

I suggest that is an understatement. We need not say it may be replaced by deterioration; we can say it is being replaced by deterioration. Then it goes on:

If the earliest reasonable opportunity is not seized to modify restrictive policies, the difficulty of resuming trade on an economic basis under more normal conditions will be greatly increased and world trade will tend more and more to be conducted with inconvertible currencies on the basis of bilateral bargains.

Again the report says:

The revival of the flow of private international capital, which is essential if the best use is to be made of the world's productive resources, is moreover scarcely to be expected if more elaborate exchange restrictions increasingly limit the uses to which earnings from foreign investments can be put.

It is of interest that yesterday, March 1, 1950, was the day which under the articles of agreement the fund was to report to its members on the restrictions in force at that time. In other words, after three years of operation, there was to be a sort of stock-taking or review of the situation.

I would call the attention of hon. members to four things from what I have read: first, the duty to get away from restrictions; second, the deterioration that will come about if we do not do so; third, acceptance of the fact that there is risk—but our whole system depends upon risk; only when there is risk is there incentive to call forth the maximum of effort on the part of people with energy and initiative. Fourth and last of all, they stress the importance of international investment.

If we need to underline the truth of these statements, let us carry our minds back three years, to 1947. What happened then? Two things happened. The British failed to make the pound convertible; and the Geneva treaty was negotiated, which has been almost ineffective except so far as Canada and the United States are concerned.

I have referred to the statement by the president of the Royal Bank. He has two things to say. He points to Britain's debt difficulty, and indeed suggests that the rest of the world should come to her assistance because the burden she bears was incurred in behalf of everyone. Then he calls for a period of freedom of exchange, for a certain fixed period when we should let the market determine rates of exchange as it did immediately after the first world war. Then he thinks we might work toward a period of stability, such as we had previously.

Now I should like to sum up in a word. A few moments ago I said that devaluation last autumn was of some value; but was not enough. I quoted what I regard as three competent authorities; the international monetary fund itself, the London *Economist*, and the president of the Royal Bank. If the prospect is disturbing now, Mr. Speaker, is it likely to be any better when we come to the end of the Marshall plan? In congratulating ourselves on what has been going on, we have often forgotten to mention the enormous extent to which the Marshall plan and its various ancillary bodies have helped the situation.

Is this exchange problem going to remain with us forever? Is the minister going to keep this doubtful child in his financial family in spite of its deplorable origin, or is he going to expel it?

What prevents a return to freedom? First of all there is pride. I have never been a member of the government, though there are always hopes; but I have no doubt a government develops pride. There is unwillingness to admit that anything done by the government can be wrong. One member of the government, however, does not seem to be clothed with pride in the matter. I refer to the Minister of Agriculture; and I want to quote something he said just over a year ago, speaking in London, because I think it so true:

> I am convinced that the world is not in any state of mind where it can be expected to agree that the manipulation of any system or systems of currency is going to be allowed to interfere with the will of those who have empty stomachs when it is preventing their purchasing surpluses of food and distributing them.

I suggest that is exactly what is happening now, that the manipulations of currency are preventing that very thing; and I suggest to the minister that he bring this situation to the attention of his colleagues. I think that was a wiser remark than the reference by the Prime Minister to chaos. Chaos is a word that covers a great deal of territory, one of those words we all use without perhaps intending very much. The Prime Minister used it on June 6 of this year in Quebec, when, speaking of devaluation, he said:

> That would bring chaos to the Canadian economy in twelve months or so.

It might be interjected by the Minister of Finance, so I shall do it myself, that when the Canadian devaluation was made last autumn it was done at a time when other currencies were devalued. However, as I was saying, there is pride in this connection; and no doubt the Prime Minister, remembering his use of the word "chaos", might find difficulty in changing his view.

But there is another and, I think, more real difficulty. Government officials have been administering all these controls; and I want to say quite candidly that I think they have made the best of a bad job. But those who have been administering controls really have an extraordinary intellectual job to do in order to conclude that the time has come to abandon them. It seems to me they almost have to jump out of their intellectual skins, and that presents a difficult problem. Meanwhile, the abnormal is becoming the normal. I am sure they feel what I quoted from Senator Crerar was like a voice from another world. It has become respectable now to have controls. The day before yesterday the minister himself referred to the orders issued this year as compared with those of last year; and very naturally, I suppose, made the reference in such a way that he did not give me the impression of having the slightest feeling that these were things that we should get away from.

I have pointed to the effect of devaluation alone, and have shown that it has been largely sterile so far as we are concerned. I have quoted the advice given our farmers by the Minister of Agriculture, to sell at home. I have shown that this rigid control is preventing the flow of investment, which I think is the best hope we have for the future. It may be said in reply that we have had quite a lot of investment in Canada; nevertheless, to me that is no proof that fixed rates do not militate against investment. After all, there were strong reasons for investing here; and if anyone presents the argument that investments have been made in Canada, in spite of controls, it is perfectly open to me or any other member to say that such investments would have been much greater if there had been no such controls. When you consider Britain, you do not have the same sort of magnet for investment; nevertheless you have a concentrated market of forty-five million people, and I am assured by business friends that they believe investment would be freely made in Britain if the world could get away from these shackles.

I said a while ago, Mr. Speaker, that if we wait we may wait too long; and that brings me to the suggestion I wish to make. Why can we not make a start here? After all, we have had a considerable amount of experience since last September. I believe the official rate is endorsed by the rate on the dollar in the free market, such as it is; the dollar is quoted within a fraction of the ninety cents which is the official rate. Thirty years ago we took the risks, such as they were. We have a tremendously stronger position now, both absolutely and relatively. We have the added strength of iron ore and oil, which have

greatly improved our position. Actually in the last four months of the year we increased our exchange position by something like $130 million. As a matter of fact, as someone has said, at that time we were really supporting the United States dollar to that extent. We have no huge internal debt problem, as they have in England. I suggest that now is the strategic moment. We have evidence that in Australia, New Zealand and Great Britain, the control mind is not so firmly in the saddle. I am not suggesting that the freeing of the Canadian dollar is going to work any magic, any more than the freeing of the British pound at this moment would work any magic. After all, there is no mystery or magic involved. All I am asking is what Churchill suggested, that the government get out of the way, and let the millions of people who want to buy and sell to each other exercise their initiative, energy and ingenuity, without being forced to get permits for everything.

If, on the other hand, we do nothing, then the forest of controls becomes more and more deep-rooted. If the government, or the board, with its knowledge which the rest of us do not have concerning capital deposits, sees fit to begin with freedom on current account only, I would be disappointed; nevertheless I would say that was a beginning. Let us have a beginning. I would also say, let us not underestimate our own influence. In my opinion we are sometimes inclined to overestimate it, but I do not think we should underestimate it. I believe we have a place in the world. The fact that we are next door to the United States strengthens that place. Our action might give a lead which would prove fruitful.

As I was saying before the minister came in, yesterday served as a sort of stocktaking day, in which the present position of controls was to be investigated.

The minister made a speech last autumn somewhere in the United States, which I read with interest. He stated, with pardonable pride I thought, that two things have been characteristic of the policy of the Department of Finance—boldness and a sense of timing. The minister will forgive me if I say that we on this side of the house relate the timing rather to the election. We have done that before, so I need not stress that point. Last year we told the minister that we thought he was influenced by the political cycle rather than the economic cycle. But seriously I commend those two things to the minister—boldness and a sense of timing. I do suggest to him that now may be the moment when our action might have a real influence. I hope that we shall not have one day to make the devastating confession, "too little and too late."

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, in rising to take part in this debate this afternoon, realizing that it is the common practice of members to take advantage of this opportunity to tell something of their constituencies, I hope that my constituents, as well as hon. members, will not feel that it is a lack of interest or pride in my constituency that has deterred me from making an earlier address. I have waited until the second session of this twenty-first parliament primarily because, in common with the other members on this side of the house, I was genuinely interested in allowing sufficient time to consider the estimates and legislation that were before us last fall during a necessarily short session.

I wish to congratulate the mover (Mr. Larson) and seconder (Mr. Dumas) on their addresses, which precipitated this debate. They did an excellent job. They will probably get little satisfaction from any complimentary remarks that a new member extends, but I do wish to add my compliments to those already given. If I attempt to cover as many points as I wish in this debate, the house may be suspicious that I intend to leave again to join a convention. I should like to assure the hon. member for Fraser Valley (Mr. Cruickshank), who so eloquently informed you of my absence last year, that I have a genuine interest in what is taking place.

The constituency I have the honour to represent, Kootenay East, comprises a large portion of the southeast corner of the province of British Columbia. There are three great valleys of the Kootenay and great Columbia rivers. These rivers drain almost the entire northerly portion of the Canadian Rockies. One might almost say there were three great Fraser valleys rolled into one, and bounded by mountains filled with coal and mineral wealth. The Columbia valley in the northern part of my riding is one that is particularly noted for its tourist attractions. There is also some mining and agriculture carried on there. In the Creston valley, we have a fruit industry—I was about to say thriving, but later on you will understand why I cannot say it is a thriving industry—as well as many tourist attractions.

The adjacent Kootenay lake is a mecca for sportsmen from all over the country. Cranbrook is in the centre of the riding, and is particularly noted for its tourist attractions, and as a logging and railway centre. It is situated on the celebrated Crowsnest pass railway, and is also on the north-south highway which extends to the tourist attractions I have already mentioned, as well as Banff and Lake Louise. The coal fields of the Crowsnest pass and the Fernie area contribute a great deal of wealth to the interior

of the province. It is regrettable that because of the severe winter, which made it difficult to obtain coal cars, there has been a considerable amount of unemployment in that area. The people are struggling along however, and with the help of unemployment insurance payments I believe they are getting by. The mines will soon return to full-time operations.

I have purposely left until the last the city of Kimberley, which is my home. Although I am not going to describe the city itself, I wish to point out what industries are there, and then continue with some of the points I have in mind concerning social security. In Kimberley is located the largest lead-zinc mine in the world. Ten thousand tons of ore roll from its portals daily, and the resultant 800 to 1,000 tons of concentrates, which are shipped to the Trail smelter in Kootenay West, provide employment for approximately 6,000 people; about 2,000 people in Kimberley, and I believe in excess of 4,500 in the Trail area. It certainly contributes a great deal to the well-being of Kootenay West. I might say that, in effect, the hon. member for Kootenay West (Mr. Herridge) and I would be virtually without a riding if it were not for the Sullivan mine.

As I am on my feet for the purpose of discussing the speech from the throne, I must spend a certain amount of time on it. I am no economist, however; but because of my work in the past few years, dealing specifically with wages, sales and so on, I have necessarily gained a certain amount of information with regard to economics and have necessarily put myself in a position in which I can at least form an opinion and be prepared to agree or disagree with whatever arguments may be advanced.

In their complaints with regard to the throne speech, the opposition have contended that nothing has been done to ensure markets for our farm produce and insist that there are no measures taken to obviate the unemployment. Many members from this side of the house, including the hon. member for Bellechasse (Mr. Picard), have defended the throne speech successfully in the matter of farm products. I simply wish to make a few observations. I feel that up to the present time the marketers of the main farm produce such as wheat, beef, pork, poultry and dairy products have not suffered a great deal. The gross income in 1948 was $2,449 million; for 1949 it was $2,409 million. The higher figure was for 1948 and the lower figure was for 1949; that latter figure shows a $40 million decrease or one and one-third per cent, which is far from the sixteen per cent that I have been hearing mentioned in this house since the opening of this session.

[Mr. Byrne.]

Considerable discussion has taken place with regard to the fact that farm prices were pegged during the war and for some years following it. Certainly during the war wages were also pegged, and we had little quarrel with that policy of the federal government. The controls were necessary, and I think that we may be congratulated that we wound up by not going into the tailspin which has taken place in areas where prices have been allowed to inflate themselves.

I have figures from the bureau of statistics which prove that at the present time, taking the 1926 figure as 100 per cent, farm prices are still, as of the end of 1949, nine points above the prices of whole or partially-manufactured articles. Those who work in manufacturing industries are primarily interested in this matter. These figures would tend to prove that labour's rates are still eight or nine points below farm prices for the same year.

There is, however, one group of farmers who seem to have been entirely forgotten; I refer to the apple growers of central British Columbia. For the 1949 crop they have, up to the present time, received little if any returns. I have already mentioned Creston valley. In that locality a large number of farmers now face what I may describe as near disaster because of the fact that for the apple crop, although it was somewhat larger than normal, markets have dropped off. The apple growers are therefore facing disaster if something is not done to assist them.

To build up a producing orchard takes from six to seven years. The land on which these orchards are planted, and the surrounding land, we might say, costs in the neighbourhood of $1,000 to $2,000 per acre. It is impossible for the tree fruit rancher to have on his farm a subsidiary product on which he can rely if his tree fruits fail. The mixed farmer has something to fall back on if one of his products fails to bring in a return. I think we can confidently say that those who are raising wheat in the central plains have found that, with the improvements in methods, and with the introduction of larger and better machines, they have been able to lower their production costs. With the fruit farmer, however, the situation is different.

Fruit farming does not lend itself to mechanization. Everything must be done by hand. The wage rates that are being paid at the present time, which are correct and proper, necessarily cause an extra amount of expense. The improvement in marketing methods has brought about the necessity for more handling which entails more labour charges at every turn. In the orchard the work goes on for twelve months of the year. If the winter is open, or even in a severe

winter, the fruit rancher is out pruning his orchard. In the spring he must begin spraying early, putting on a coat of spray. If it rains that day, he must return to the orchard and put on another coat. Perhaps throughout the summer almost innumerable sprayings will take place. There is also the matter of hand thinning. The apples must be thinned. Millions and millions of apples in one orchard must be handled by hand, taking them from the bud in order to allow large apples to mature. The picking must certainly be done by hand. So far there is no mechanization in the apple-picking industry. I have seen attempts made, but nothing has been accomplished; because the apple coming from the orchard must be without a blemish. If there is one spot on it, it is culled; and the consumer apparently does not want it. It will therefore be seen that the apple growers' costs are rising.

This year they are in this position; they have invested this money. The apples are in the packing houses, prepared for shipment, but no markets are available. The tree fruit board have attempted, somewhat generously I would say, to do something about a large portion of the surplus that the growers are going to have. We realize that if these apples are left, they will rot and must be dumped. It is different with wheat which may be stored and kept for even hundreds of years, if necessary, but certainly for a year or two until the market has levelled off and the producers are able to sell at prices which will at least pay the cost of production and give them some return. But they are facing this condition. As I understand it, the British Columbia tree fruit growers have offered to give a certain amount of their crop to Great Britain. The people of Canada who are doing fairly well economically should not allow this to be done without giving some support to these fruit growers. I would expect the hon. members who represent farming constituencies to lend all support to a plea to the federal government to do something to help these tree fruit growers who are in this precarious position at the present time.

With regard to the unemployment situation, it is regrettable that we have some 350,000 unemployed in Canada. There are many factors which contribute to this situation, probably not the least of which is the present coal shortage arising from the strikes in effect in the United States at the present time. Also the severe winter that we have experienced out west has had something to do with it. Even though the weather has been considerably milder in the east, it is not conducive at the present time to starting large-scale construction or building. The building of the trans-Canada highway and the national housing scheme should alleviate the situation. If it does not I am sure there is no hon. member on this side of the house who will go back to his constituency until he is assured that something has been done by the federal government authorities, if necessary, to support some project. If they do not start it themselves I am sure they will see to it that something is started in collaboration with the provincial authorities. We will not go home to our constituencies in the summer until we are sure that the situation has been controlled.

Mr. MacInnis: It will be dangerous to go home.

Mr. Fraser: He will go home when his leader tells him.

Mr. Byrne: Some hon. members have said earlier that there are other countries that have no unemployment. I shall quote the hon. member for Kootenay West (Mr. Herridge). I am not picking on the hon. member for Kootenay West, but his speech is one that I recall as having been made quite recently. He said, as reported at page 370 of *Hansard*:

> The latest figures for Great Britain show 329,000 unemployed, a labour force of 23 million and a percentage of 1·4 unemployed. Similar figures for the United States show 4,800,000 jobless, with a labour force of 60 million, and a percentage of unemployed of 7·5. On the basis of 323,000 jobless and a labour force of 5·1 million, Canada has a percentage of 6·3 unemployed.

Mr. Gibson: How cold was it in Britain?

An hon. Member: It was cold after the election.

Mr. Knowles: Getting a lot of cold comfort out of this, too.

Mr. Byrne: It is interesting to note that these countries which show the highest standard of living at the present time have the greatest number of unemployed. Certainly it is regrettable; but take the actual figures in Canada today. The payment of $18 a week to the unemployed is higher than the earnings of the average industrial worker in the United Kingdom today. I will grant you that the subsidies on food products and so on in Great Britain leave them in a much better position than those figures would indicate. However, in Great Britain the worker still pays an income tax on his earnings of $17 or $20 a week.

Then the hon. member for Kootenay West goes on to say:

> What about Australia and New Zealand? They are both in a position quite different from ours. There is full employment in New Zealand; and on the basis of information radioed from Australia today they have about 1,000 registered unemployed; but they have 107,000 jobs for which applicants cannot be found.

Certainly there is a good place for immigrants. However, I want hon. members to realize that while Canada does show at the present time a considerable amount of unemployment, for reasons which I have outlined, yet following the war Canada cancelled entirely the debt which Great Britain owed her. Australia, New Zealand, India, Egypt and some of the other countries in the commonwealth, South Africa included, did not take any such action, and Great Britain still owes them in the neighbourhood of £15 billion. This would naturally reflect a greater prosperity in Australia, and it is something that they should not particularly brag about at this time.

It is obvious that these countries with the lower standard of living do not have any unemployed at the present time.

Mr. Knowles: What about the United States?

Mr. Byrne: In India there is no unemployment; but in that country the scythe has not yet displaced the sickle. In Australia the motorcar is hardly known even amongst what you might call the middle class. The worker does not think of owning an automobile. In China, where the ox pulls the wooden plow which tills the field, there is no unemployment. In Egypt the treadmill lifts the water from the Nile. We could even take Great Britain, where they take the voters to the polls in stage coaches.

I know that some hon. member are becoming bored. They expected me to speak on the question of social security. I wish to say a word on the measures of social security that have been attained in Kimberley. In so doing I may attempt, and I hope hon. members will forgive me, to prove to the hon. member for Vancouver East (Mr. MacInnis) that while I was an unpaid elected representative of labour I had considerable success in that field. Incidentally the hon. member from time to time makes reference to me as one who claims to be a representative of labour. I wish to remind the hon. member that while sitting in this house I do not claim to represent any one particular group of people in my constituency. I represent the employees, the farmer, the smaller businessman in retail and service capacity, the employers of labour, the unemployed, the aged and infirm. Certainly it is my bounden duty to be assured that the money collected from these various groups is spent prudently and, above all, to guard against the necessity for any increase in the present heavy burden of taxation. Certainly I do not think we should use it now, as has been requested by certain members of the opposition, to accept sterling to counteract our unbalance of trade with the United Kingdom.

I do not think we should use anything like three or four hundred millions of dollars to prime an already dry socialist well. I shall not take the time to trace developments in the organization of the union at Kimberley, except to say that through tireless efforts the union has reached the stage where it commands the respect of the community and the company, and at present operates under the best collective bargaining agreement in Canada.

Prior to organization the work week was fifty-six hours, with no consideration for statutory holidays; and, in general, conditions were such as would be found in any unorganized camp—with the exception of the fact that living conditions had necessarily improved because of permanency in employment. I neglected to say earlier that the developed ore body, at the present rate of reduction, will last for another fifty years. That has been known for a long time, and with that in mind employees invested and built their own homes.

The Sullivan mine is the first and only hard-rock mine in Canada working on a forty-hour week basis. By adopting the forty-hour week twenty per cent more people were put on the payroll and given employment. Since that time production has gone up to the extent of 2,000 tons a day because of the new methods of extraction and haulage introduced by the company. Working on the forty-hour week they are producing 2,000 tons more than were being produced before the introduction of the union agreement.

I shall run through quickly some of the other features in this agreement. There is an excellent seniority system. This system gives seniority to veterans returning from the services, regardless of whether they have had previous service with the Consolidated Mining and Smelting Company, the operators of this mine. They may return after one to six years of service in the armed forces, enter the employ of the company, and, after ninety days, will be credited with six years' seniority rights.

We have a labour-management committee which works in an advisory capacity, a joint safety committee, which has done excellent work. I am happy to say that the Sullivan mine came very close to winning the award for its safety record in the last year. We have a contract committee, and the miners are working on a contract basis. The contract committee have been able to maintain contract prices at a rate sufficiently high that

some miners last year had earnings which exceeded considerably the indemnity paid to members of parliament.

We have a good arbitration procedure for the settlement of disputes. We receive overtime pay for all work performed in excess of eight hours. We receive pay for statutory holidays when not worked, and double time if worked; two weeks vacation with pay; and we have the check-off of union dues. Last, but not least, we have wage rates ranging from $1.09 plus a shift differential of four and eight cents to $1.53 per hour for safety miners. In addition each employee customarily receives $75 as a Christmas bonus. Also a non-contributory pension plan which, at the present rate of pay for a miner with a lifetime of service, would amount to between $90 and $100 per month.

In connection with sick benefits the Kimberley employees have a sick benefit society. This was not brought into effect entirely by the union, but has been improved upon immensely. To this society we pay $1.50 a month, which amount is matched by the company under a recent bargaining agreement. In this way $1.50 is paid by the employee and $1.50 by the company. The directors have the right to change the figure that will be paid in benefits. But, at least for the present, I understand that for the first month a member if off sick will receive $4 a day for thirty days, increasing to $5, and for the last one hundred days of the year he will receive $6 a day or $180 a month.

We have a medical set-up. The fee is $3.50, and includes everything—doctor, hospital, specialists' fees, and travelling by railway, T.C.A. or C.P.A. We hire C.P.A. if it is necessary to take an employee to a specialist—and at no additional cost to the member. By agreement the company matches this payment. I have not the time to go into them in detail, but an employee need have no worry as regards medical expenses or hospitalization so long as he is a member of the society. He might be in hospital for some years, but through all that time he would be attended by a doctor and would be given full coverage so long as dues payments were met.

Mr. Gibson: Free enterprise, is it?

Mr. Byrne: Certainly. I have omitted many of the details and accomplishments of local 651 of the international union of mine, mill and smelter workers, because of the lack of time at my disposal. Through this entire period of accomplishment I have been closely associated with and a leading officer of that organization. Let me add that these gains have been made entirely as a union bargaining collectively without the blessing of any political party.

Recently in the debate the hon. member for Vancouver East (Mr. MacInnis) intimated that the union to which I belonged and of which I was an officer—since coming to this house I have resigned that office—has been thrown out of the Canadian Congress of Labour. This is quite true. If the hon. member meant what he said when he pointed out it was for ideological purposes, that was also quite true; the ideological reason being that my union steadfastly refused to become a part of or to join the political machine of the C.C.F. socialist party.

Mr. O. L. Jones (Yale): Mr. Speaker, I rise to support the amendment to the amendment particularly because the first clause deals with agricultural markets and suggestions for their recapture. I am going to speak also about the fruit industry. I realize that a number of hon. members have already touched on this matter but I make no apology because I represent a riding in which are grown 75 per cent of all the apples grown in British Columbia. I feel also that I have some experience in this regard because at one time I was a fruit grower and have been in close contact with the fruit industry for thirty years. My home town of Kelowna is right in the centre of the fruit growing district.

I should like to deal briefly with the chaotic condition which existed in that industry thirty years ago. At that time there was no organization and the fruit was sold where it could be sold at any price at all. Various firms, unorganized in many cases, would get the fruit on consignment and then proceed to dump it on any market at any price that would give them any profit. Such was the condition in the early days that the fruit growers became so desperate that they organized one of the finest organizations in Canada, the tree fruit board.

At the present time all our fruit is properly handled, packed and graded for shipment all over the world. We are proud of the tree fruit board. We had difficulties to overcome because, taking just one item, we are 4,000 miles farther away from Great Britain than Nova Scotia. In order to overcome this handicap the quality of the product was improved, as well as the quality of the pack. The result is that today the tree fruit board handles roughly $25 million worth of fruit products grown in the interior of British Columbia.

It should be noted that a good deal of our fruit is sold to the United States, which brings United States dollars to Canada. A current review of agricultural conditions in

Canada states that during 1947-48 and 1948-49 the United States purchased 1,500,000 bushels and 2,150,000 bushels respectively of Canadian apples, and in both years over 90 per cent came from British Columbia. In 1948 the apple crop in the United States was smaller than normal and there was a strong demand from that country. I merely point that out to indicate how the exportation of fruit to the United States has brought several millions of dollars to this dominion.

The people engaged in the growing of fruit are very cosmopolitan. Practically every race on earth is engaged in fruit growing. I often think that it would be beneficial if the United Nations could come into our valley to see how these people live so happily together. Even the odd Russian fruit grower gets along quite well with his Japanese and Anglo-Saxon friends. They all have something in common, the welfare of the industry in which they are engaged.

There are from 120,000 to 150,000 people living in our valley which is about 150 miles long and quite narrow in places. I am not going to dwell too much on our climate because I think the press has publicized it sufficiently for the present. While we have had some cold weather, they have also had similar weather in California, so I am offering no apology. However, damage may be quite considerable from frost. It is expected that many of the young trees will have been killed, and considerable damage is expected to have been done to our peach and apricot trees. It is a little early to know the exact damage, but definitely a good deal of damage will be done.

The difficulties faced by these people are numerous. One difficulty is the obtaining of a staple market when you have crop variations. As is known, a tree grows a good crop one year and a poor crop the next, and so on. Scientific efforts have been made to overcome this through controlled deblossoming. We have had to overcome practically every pest known to the orthodox fruit grower, but one of the worst, the coddling moth, has been practically eliminated by the use of D.D.T. and other sprays.

Hail has taken its toll of our crops because that is one thing that cannot be controlled. This year the growers have organized their own insurance company to take care of hail damage. Each grower will be assessed to build up a fund to take care of the odd orchard that is hailed out. Then we also have high winds which sometimes occur when the fruit has matured. If the fruit is not picked in a matter of days, it is lost. Another difficulty is that our crop seasons coincide with those of Washington and other states. I have tried to outline briefly some of the difficulties with which the fruit growing industry is faced.

In order to overcome some of these difficulties the industry was encouraged by the present government to try to capture the British market. In order to do that they had to grow a different type of apple from the one sold on the Canadian market. The trees had to be pruned in a different way in order to produce the type of apple wanted in the old country. The industry was geared up to produce roughly three to four million boxes of that type of apple. Now that that market has gone it is found that some of the apples being produced are not suitable for the Canadian or United States market.

The normal shipment of that type of apple to Great Britain was from 2,500,000 to 3,500,000 per year. This year all we have sold to Great Britain is 434,000 boxes. Those were purchased by the British food ministry, the Canadian government paying half the cost. We could not market our production this year and at least a million and a half boxes would be wasted. The growers took the bull by the horns and decided they were not going to have that waste. Without waiting for any arrangement to be made by the government or by any other body they decided hastily—the product is perishable and must be taken care of quickly—to send 1,150,000 boxes to Great Britain as a gift. The alternative was waste and, later on, dumping.

In addition we sell 500,000 boxes to the fruit juice processors at anything from $7 to $9 per ton, or an average of $8. Incidentally this price does not cover the cost of production.

The cost of production is made up quite simply. First there is the cost of packing. Most of those apples were already packed and had borne the packing costs. The cost of handling, packing and storing a box of apples runs from 90 cents to $1; and that charge is usually against the apples in storage. The cost of growing apples varies according to the size of the operation, the type of land, the location of land—whether it faces north, south, east or west—and the size and quality of the crop; but roughly speaking the cost varies from 75 cents to $1.25, or an average of $1. I am referring now to bare costs; I am not including any profit or anything else.

This year we had to handle over eight million boxes; and it has been a problem. Naturally the farmers are reluctant to seek assistance from the government. I feel that they are being a little modest, however, because during the war they accepted ceiling

prices on apples, but for which they would have made much greater profits and been able to build up reserves to take care of a situation such as that with which they are faced this year. Then there is the high taxation on fruit land, especially for provincial purposes; irrigation is costly, and there are many other expenses. I realize that the Minister of Agriculture (Mr. Gardiner) is fully aware of these conditions; and though we have heard a good deal of criticism of his actions in other matters, I will say that he has given considerable assistance to the fruit growers of the Okanagan valley and British Columbia generally.

One of the greatest things to happen was the culmination of our fight, which extended over a period of thirteen years, for a marketing act. As hon. members know, last year that marketing act was passed and is now in operation. But these things in themselves are not sufficient to overcome the difficulties now facing the growers. We have conditions that are beyond their control, especially the dollar shortage and the loss of the United Kingdom market. I need not go into the history of that, because hon. members know it as well as I do. It is principally because of the loss of this market, and the fact that in order to avoid waste we had to send a gift of 1,150,000 boxes of apples overseas, that I appeal to the government to consider the emergency that has arisen this year.

The government have wisely set aside $200 million placed at the disposal of the board for the support of agricultural prices. That legislation states that it is intended to secure a fair relationship between the returns from agriculture and those from other occupations. I would point out to you, Mr. Speaker, that under no circumstances can the fruit growers, with the present market, having in mind the deficiencies I have mentioned, obtain enough revenue to give them a fair return; so now the time has come when they require this assistance. I know the difficulty, and I fully believe it is temporary. On that basis I am making my appeal.

Any assistance given should be at least to the extent of the cost of production and the cost of handling already incurred by the growers. I have given that figure roughly as $2. I should like also to see the grower given a reasonable profit, to enable him to maintain a decent standard of living. I am not asking this for a bunch of people who are doing nothing to help themselves. The fruit growers have done a great deal. They have increased production; they have improved their grading and packing; they have done everything possible through cold storage to extend their season. They have set aside a large sum of money for advertising, and are now working on the theory that the Canadian market itself can be improved. I believe it can. In 1948 the per capita consumption of apples in Canada was 33 pounds. In 1949 it fell to 27 pounds. I believe we can not only recapture lost ground abroad but also improve Canadian consumption, because after all 27 pounds of apples per person per year is not a large quantity. They have also tried to improve the quality of their apples by assistance from the dominion experimental farm at Summerland. This year they are making a grant of $5,000 to that farm for special work on pests and other problems with which they are still faced.

So I believe these producers have done everything possible to retain their export market; but, as I pointed out, matters of international trade and world conditions are definitely beyond their control. Fruit is unlike any other crop. As the hon. member for Kootenay East (Mr. Byrne) pointed out, trees are at their prime for from twelve to thirty years. During that period of productivity many changes may take place; wars, depressions, loss of markets and so on. The fruit grower is stuck; he must carry on. His trees are there, whether he likes it or not, for that period of years; and he must take the ups and downs of our economic system in his stride. The grower must be assisted to carry on, because he becomes either a permanent asset or a permanent liability; and an asset is far better than a liability. In prosperous years he is a heavy taxpayer. He pays high taxes on his land, high income taxes, and high irrigation taxes. He is an employer of labour on a large scale; and he maintains himself and his family on a fairly high standard of living. During the odd year like this he needs help to tide him over until once more he has access to his old markets.

I refer once more to the legislation under which I am making this appeal. It states that the board is to endeavour to insure adequate and stable returns for agricultural products. That statement covers my request. Some $200 million has been set aside annually, and the unexpended portion goes back into the general revenue. They have the power; they have the money; but I believe any action must be taken before the end of this month. I appeal on behalf of the fruit growers because, being three thousand miles away, they may not have the opportunity to come before the house, at least not en masse. So I ask that assistance be given at least to the extent of the cost of production.

I should like to deal with one other matter in behalf of the municipalities of British Columbia. I do so because I was surprised

and alarmed to hear the statement from the other side of the house within the last day or two that the municipalities will be expected to bear a greater share of the cost of unemployment relief. When you say a municipality must bear a greater share of the cost of relief it means that land taxes within that area must be made even higher in order to carry the additional burden. Any further tax on the land within the municipalities of this dominion, particularly in my province, would just about break them. If a depression came along, as it well might, we would see acres of land revert to the municipalities for non-payment of taxes. The growers, to whom I have just referred, would also find themselves in the same unfortunate situation they experienced in the thirties, when they could not raise enough money on their land to pay their taxes.

If this situation arose, there would be insufficient funds to keep any municipality functioning properly. When this situation arose before, it forced many municipalities into the hands of the receiver. I am going to suggest one or two logical methods by which the government could help. One of these methods concerns dominion properties located in municipalities. Last year a bill was passed granting token payments to certain municipalities, on the basis of the amount of dominion property located within that municipality. By and large, this method does not bring any revenue to the smaller towns of our province, because few of them qualify. I believe the government has a responsibility in this regard. Usually a government building, whether it is a post office or a customs building, occupies one of the choicest spots in the municipality, and one which would pay the highest taxes if it were taxable. I know the argument is that the post office renders a service and, therefore, should not be called upon to pay taxes. Liquor stores also render a service, but they are taxable. Revenue producing offices, such as the post office and customs offices, are in a position to at least pay the service charges to the city for road and sidewalk maintenance, police and fire protection; all the services rendered by a city to its inhabitants.

The other method by which the government could help would be by contributing towards the cost of education. In my province, and I assume the same is true of all provinces, the cost of education is increasing rapidly. In many municipalities it now represents 50 per cent of the levied taxes, not only in municipalities but in unorganized territories as well. Building costs and teachers' salaries are both up. I do not believe education should be curbed for lack of money, because through it we are building citizens for the future. I believe, therefore, that the dominion should enter the field, and the cost of education should be borne by other means than a tax on land. The method of the grant can be controversial, but I am not suggesting any particular method. I merely suggest that such a grant must be made to give some relief to the land taxpayers of our province. A good education naturally makes good Canadians. I believe that any grant the government cares to make should be earmarked for the use of the municipality, or for the reduction of taxes now levied on land.

I have had a great deal to do with this particular question because, like the member for New Westminster, I was in municipal politics before I entered this sphere of activity. I was the mayor of my town for four years, and an alderman for ten years. I was elected with the New Westminster hon. member to the executive of the union of B.C. municipalities, and I was president of that organization for a term. I happened to be chairman of the committee which prepared projects to take care of post-war unemployment. We did that work on the assumption that federal aid would be given to us to carry out those projects. Every municipality in our province co-operated, and we had a fine list of necessary public works ready on the shelf, in case this present situation in Vancouver arose. Without federal aid for our schemes, however, we are absolutely lost. We cannot carry them out. Many of those schemes have now become a must. Practically all of them were self-liquidating projects. For that reason, I am asking the government to again open access to cheap money under the Municipal Improvements Assistance Act, under which money was available at two per cent. I have several requests from municipalities desiring to borrow money under that act, notably Armstrong and Enderby, where the waterworks need renewing. These municipalities hesitate to borrow on the open market at a high rate of interest, but they could handle the low-interest loans available under that act, because they are extended over a reasonable period and are generally self-liquidating.

Another way by which the government could assist the municipalities would be to become realistic about the hospital grant. I realize that, according to the act, the hospital grant was given on the basis of one-third of the total cost, but was not to exceed $1,000 per bed. The cost of building hospitals, however, today is between $6,000 and $7,500 per bed. As a matter of fact a projected modern hospital in Vancouver, it is estimated, will cost $10,500 per bed. I am going to suggest

to the minister that he should at least consider doubling this sum of money to make it more nearly comparable to the higher cost of building today. If one refers to the estimates of last year and the public accounts of this year, one finds that the province of British Columbia estimated it would use $13 million for hospital construction. Actually, only $2,223,000 was used. The reason the province used only 17 per cent of that money is fairly obvious. After the small grant from the dominion government, plus an equal amount from the provincial government, the balance was so great that the hospital boards and municipalities could not handle it. We need the extensions to our hospitals, because of the growth of our population. The institution of the health act in the province of British Columbia has also brought more customers, so to speak, to our hospitals. Every hospital in our province is filled to capacity, and many of them have patients in the corridors awaiting a room. Sometimes patients who are in the hospital for a serious illness are rushed out in order to make room for the next patient.

In conclusion, I might point out to the government that the health and education of our people is a national obligation. I say it is national because I do not believe small units give the best results. I do not believe health should be administered by a small town, in which a part-time doctor is responsible for the health and welfare of the people. It should be put on a broader basis than that. Education should not be carried on as it is today, with one teacher being responsible for four or five different grades. Generally, small units are not very efficient, and it is for that reason the dominion government should enter the field to bring order out of a certain amount of chaos. We need more hospitals; we need more clinics; we need more schools; and only the government can give them. Only this government can afford to be generous. I feel that this government can afford to be particularly generous with the province of British Columbia because a few years ago it made a splendid deal in connection with the tax agreement. In 1948-49, under these agreements, the dominion government collected $148,563,000 in our province, and in return paid $21,960,000.

The income tax is a fair tax. It is based on ability to pay. Evidently my province has the ability to pay approximately $150 million. But I do feel that, in order to keep that province supplied with schools, hospitals and clinics, a bigger proportion of that money should be returned, either by a new agreement or by a more generous grant to the municipalities, in order to meet the increased cost of hospitalization and education.

(Translation):

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I wish to avail myself of my privilege to speak in this debate in order to urge the government of my country to grant Count Jacques de Bernonville asylum and the right to remain permanently in Canada.

Convinced of his innocence and of his respectability, I believe it my duty, notwithstanding the difficulties which my attitude may bring upon me, to rise in this house in order to plead for a French citizen who is being persecuted by his political enemies, by French communist organizations and here, in this country, by notorious communist sympathizers.

A shameful campaign of lies and false accusations has been launched, without any proof whatsoever, against this man. I shall endeavour to remove, on the strength of the evidence which I shall produce, the prejudices of which he has been the victim, and to rehabilitate him in the mind of certain hon. members of this house and in the opinion of the public.

Who is this man who for almost four years has been hounded by French communists and Canadian communist sympathizers?

Since the age of 17 and during two world wars, Count Jacques Dugé de Bernonville has served his country and the allies.

During the war of 1914-1918 he fought in the French army and won promotions and decorations for gallantry and feats of arms.

He was promoted to officer of the Legion of Honour—the youngest soldier so decorated—he was awarded the Croix de Guerre in 1918 and 1940, mentioned eight times in dispatches, wounded five times; he bears the scars of thirty bullet or shrapnel wounds.

In the interval between both world wars, he held honourable and important posts in industry and business. At the outbreak of hostilities, in 1939, he was appointed commanding officer of a mountain rifle battalion. He fought in the French army and was mentioned once more in dispatches for gallantry. After the armistice, he remained in the French army until demobilization. Arrested by the Germans, he was freed by the advancing allies.

His record of service is such that no one can teach him anything when it comes to patriotism.

In June, 1944, Jacques de Bernonville was appointed, by order of the government of Marshal Pétain, commanding officer of the forces in charge of maintaining order in the military district of Lyons, France.

The following letters are forceful evidence of his record of service during the time he held that post, from June to August, 1944.

Dr. Pierre Bertrand, professor at the Faculty of Medicine, hospital surgeon and mayor of the city of Lyons in 1944, during Herriot's internment, certified as follows on the 22nd of August, 1944:

I met Major Jacques de Bernonville during his stay in Lyons from June, 1944, to the end of August, 1944. He was commanding officer of uniformed troops detailed to maintain order, that is the Mobile Guard, the police and the mobile reserve groups. He was never in charge of militia.

Major de Bernonville's reputation as a fearless and blameless officer preceded him in Lyons. It is with courage and unselfishness that he served, not political ends but his country. During those three months, he performed a difficult task and never issued an order that could have resulted in an attack upon the life of a compatriot or ally or upon the private property of anyone.

Major de Bernonville is entitled to my esteem and to my respect.

(Signed) Pierre Bertrand,
Former Mayor of the City of Lyons

(1944)

The following declaration was made at Cap d'Ail on August 27, 1949:

I, the undersigned, Abbé Victor Bouillon, do, on my honour, declare that Major Jacques de Bernonville, to my knowledge, has always behaved as a leader, a good Christian and a gentleman. Far from attacking French citizens or allied soldiers or from interfering with property, he has, during the troubled times from 1940 to 1944, by his courageous attitude towards the Germans and, with the help of the troops which he commanded, ensured the supply of food, protected the people and maintained order, and thus facilitated the task of the allies who, in their advance, found a maximum of order.

I certify that I have myself seen Major de Bernonville at work in 1940, at Cap d'Ail, where he was my faithful and unanimously respected parishioner, and in 1944, at Lyons, where he commanded the troops of the Ministry of Public Order and where I had the honour of being his guest on two occasions. The first time was the 31st of July, on the occasion of a sermon which he had asked me to give during a mass organized by him, with the consent of His Eminence Cardinal Gerlier, for all the forces detailed to maintain order and which took place the next day, July 22, in St. Bonaventure church. The second time was three weeks later, on the 14th of August, when, passing through Lyons I had supper and spent the night at his home.

On the 15th, he personally served my mass and together with several of his officers received Holy Communion. Everything I have known or heard about him at that time, the universal respect in which he was held—his officers and men worshipped him—even the atmosphere of his home, force me to state that I believe that he filled a difficult mission with a self-denial, a devotion to duty and a perfect honesty which would, in normal circumstances have brought him the gratitude of the nation instead of the persecution he now suffers.

In witness thereof, I freely certify the above and, in order to re-establish the truth, without any intention of interfering in a case which comes under the jurisdiction of the Canadian government, I declare, as a priest and as a Frenchman, that Canada would have everything to gain in allowing a man like Major de Bernonville, a great fighter, a true Christian and patriot, to settle among people who are known for their generosity and their chivalry.

(Signed) Father V. Bouillon,
Doctor in Theology,
Laureate of the French Academy,
Former parish priest at Cap d'Ail,
Missionary in the diocese of Nice.

Here is a further declaration, by an officer of the Legion of Honour:

I, the undersigned, Colonel Groussard, certify that I met Mr. Jacques de Bernonville during the year 1940. Monsieur de Bernonville struck me as being an absolutely straightforward and honest person, incapable of meanness, and I am sure that he never, in any way, went counter to his principles as a good Christian.

Paris, October 30, 1948

(Signed) G. Groussard
Officer of the Legion of Honour
Croix de Guerre
O.B.E.

Still another:

I, the undersigned, Quivaux André, police major, 17 Saint Michel Blvd., Paris (13th), having been in command of the police company of the Department of Isère from January 15 to July 14, 1944, declare upon my honour that I was notified in June, 1944, by my superior military officers that Major de Bernonville had just been appointed to command the forces charged with the maintenance of order in the military district of Lyons under whose jurisdiction came the police in my department.

Having had business to do in the offices of Major de Bernonville in Lyons early in July, 1944, I met there many officers of the guard who were his assistants.

In 1944, as the French police were directly responsible to the president of the council and as the guard was responsible to the department of war, it is obvious that, to have been given authority over these two formations of our most ancient military tradition, Major de Bernonville could not have been appointed to those important duties except by the highest authorities of the French government sitting at Vichy.

During this short period, I had only one official contact with Major de Bernonville and it was for the purpose of asking him to intervene with respect to the unwarranted arrest of two of my mountain brigades (brigade of Pont-en-Royans, brigade of Villars-de-Lans) by formations of both the militia and the guard. He extended to me the most cordial and understanding welcome, as I had guaranteed the loyalty of my subordinates to their military duty, and he immediately ordered in my presence that those brigades be set free.

Dated at Paris, June 20, 1949.

(Signed) A. Quivaux

And now, testimony by two Dominican fathers:

Abbaye Saint Pierre de Solesmes,
Par Sablé sur Sarthe-Sarthe

We the undersigned, Dom Renaud de Bentzmann, Dom Paul Barazer de Annurien, Benedictine monks and priests of the Abbey of S. Pierre de Solesmes (Sarthe), France, declare that we have known for some time Mr. Jacques Duge de Bernonville, former French officer, officer of the Legion of Honour, volunteer at the age of 17 and disabled during the war of 1914-1918, and certify to his fully honest character, sincere patriotic principles and very serious practice of the Catholic religion.

Dated at the Abbey of St.-Pierre de Solesmes, this 25th of October, 1948.

(Signed) R. de Bentzmann, m.b. pr.
(Signed) P. Barazer de Lannurien, pr. m.b.

And, last but not least, the testimony of a man who was awarded the "Résistance" Medal, and whose citation I shall read in a moment:

1, rue Charles Dickens, Paris, XVI[e]

Paris, October 24, 1948

I, the undersigned, Gérard Landry de Lagatinerie, upon my honour, certify that:

Major Jacques de Bernonville is not only a war hero of 1914-1918, and 1939, but also a Frenchman worthy of everyone's admiration.

The undersigned, who holds the Médaille de la Résistance, the Croix de Guerre, 1939, and the attached citation, expresses the hope, along with the surviving members of his volunteer corps, that France may in the future count few men as marvellous as M. Jacques de Bernonville.

(Signed) G. L. de Lagatinerie

Here is the citation I mentioned a moment ago:

Citation: M. Gérard Landry de Lagatinerie

Office of the Military Governor, Paris
Excerpt taken from General Order No. 345
dated 18 July 45

General de Corps d'Armee (Lt-Gen.) Koenig
Military Governor of Paris

cites:

de Lagatinerie, Gérard Landry

For the following reasons: Has been a member of the Résistance movement since 1941. Took part in the battle for the liberation of Paris, August, 1944, in command of a volunteer corps. Took part in the capture of the Neuilly bastion (avenue de Madrid) on August 25, killing six Germans and capturing three others.

This citation carries with it the award of the Croix de Guerre with star.

(Signed) General Koenig

Mr. Speaker, before such eloquent testimony, we must necessarily come to the conclusion that Jacques de Bernonville's only "crime" was his loyalty to the legitimate and legal government of France, which the Canadian government had recognized and to whom Canada had sent its official representative. De Bernonville had no alternative but to obey; otherwise his country, France, would have fallen prey to anarchy, for the benefit of subversive elements.

He has at all times acted neither as a policeman nor as a self-seeking politician, but as an officer of the French army, that is to say, honourably and conscientiously.

It is true that here in Canada he has been defended by political opponents of the present government; but this must not be held against him.

When this campaign was initiated, Jacques de Bernonville was confined, with all the members of his family, to immigration detention quarters. Isolated from the rest of the world and unaware of what was taking place, he cannot be held responsible for this unfortunate controversy.

On the other hand, there has been a rumour circulating among the public to the effect that in the event he returned to France, there would be another trial, this time a "fair" trial. If the new trial is to be fair, then the former trial, on which the accusations levelled against him are based, was not fair. Yet it is upon this illegal trial that immigration department counsel based their latest order.

As a matter of fact, by what court was Jacques de Bernonville convicted in France? By a so-called court of justice, i.e. a special tribunal, essentially political and made up of jurors chosen from a panel of political foes.

This promised new trial will be heard not by a regular court, but again by a court of justice, that is to say, a politically biased special tribunal, whose membership will be exactly the same.

We know that the communists were in power in France at the time of the liberation, while true members of the Resistance were fighting with the troops. French tribunals dealing with cases of collaboration or "courts of justice" were made up of jurors chosen from the lists of members of the Resistance and therefore, mostly communists. It is such a tribunal that convicted de Bernonville at Toulouse, well-known communist centre and a city where he never set foot.

Those tribunals or courts of justice have since been abolished, except in cases of conviction *in absentia*, such as the de Bernonville case, where the person found guilty is re-apprehended.

De Bernonville, if sent back to France, would thus be judged by communists.

Mr. Speaker, as regards the nature of these purgation courts, I wish furthermore to refer to an article which just appeared in the January 13th, 1950 issue of *France Catholique* from which I quote the following paragraph:

> We all know nowadays that there is no justice but instead a reign of terror organized by one party.

The article, signed by J. de Fabrègues, adds:

> This travesty of justice has dealt harshly "with anything that might have stopped the communist party's tactics aimed at national disintegration".

I also wish to bring to the attention of hon. members of the house an article which appeared on January 7th last in the London, England, publication *The Tablet*. Signed by Frank MacMillan, it bears the title "After the French Purges". From it, I quote the following paragraph:

> Moreover, as many of the leading members of the (French) government which had authorized the trial of Marshal Petain had themselves voted him into power in the most strictly constitutional manner in 1940, the shuffling-off of responsibility was too blatant. If eminent statesmen like M. Lebrun, the former president of the republic, M. Vincent Auriol, M. Blum, M. Reynaud, M. Deladier, M. Herriot, and others, had voted Marshal Petain into power in 1940 and recognized the authority of his administration for four years, and had recommended it to the country, how could ordinary citizens be later tried for obeying the legal orders of the government?

In fact, eminent French jurists have fully shown that these so-called courts of "justice" were illegal and, consequently, that the sentences imposed by them were null and void.

Further, Jacques de Bernonville had never taken up residence and never filled any public office in Toulouse where he has, in any case, never set foot. It is nevertheless by a court sitting in Toulouse that he was judged and condemned *in absentia*.

These facts supply us, therefore, with formal evidence that Count Jacques de Bernonville is a political refugee. It is in this capacity of political refugee that he asks the favour of being definitely admitted to Canada and of living here in peace among people whose ideals and traditions are exactly like his own.

This favour has already been granted in many cases, both to political refugees and to foreigners who arrived in Canada without a visa. I now ask the same favour of the government of my country on behalf of a Frenchman, Count Jacques de Bernonville.

It has been alleged by some newspapers and even by high officials that de Bernonville is responsible for the death of Allied soldiers and "probably" of Canadian servicemen, this being an attempt to stir up against him a feeling of horror on the part of the relatives of the supposed victims and of disgust on the part of Canadian veterans.

This charge is outrageous. No one has yet ever published the names, places, dates and circumstances of these alleged crimes. Nor will anyone ever be able to do so since the accusation is sheer slander.

These vile charges began by the information laid against Count Jacques de Bernonville by a non-Christian individual and by the libellous innuendoes indulged in by a temporary ambassador, a former vice-president of the council of ministers in France, who was in office at the same time as another vice-president called Maurice Thorez.

On the other hand, in obeying Marshal Pétain who will be recognized by history—and I am proud to say so—as one of the greatest and noblest figures of France, Count Jacques de Bernonville helped the allied cause and saved not only many French lives but most certainly Canadian lives as well.

During the last war, Jacques de Bernonville had the opportunity of helping several Canadian army officers to escape from concentration camps where they were being held. That has been declared publicly and under oath before law courts by Captain Antoine Masson of Montreal. In addition, he asserted under oath that de Bernonville had never molested Canadian airmen, or had them imprisoned or shot, as has been alleged. In Canada, from a legal standpoint such evidence should be taken at its face value, as it refutes all charges to the contrary levelled against him by unknown persons.

I wish to quote the telegram sent to me on February 23, by this most brilliant Canadian officer, Captain Antoine Masson, Military Cross, who recently testified before the court of inquiry. He then declared under oath that orders given by Commandant Jacques de Bernonville enabled him to escape, thus saving his life.

Here is the telegram:

> February 23, 1950 11 PM 48
>
> Bona Arsenault MP
> Parliament Bldgs Ottawa
>
> Pursuant your request for further information re Comte Jacques Duge de Bernonville to be deported by authorities I wish to inform you that I have declared under oath that said French officer was personally responsible for my escape from Camp de Chambaran in Isere day preceding entire occupation of France by German forces November eight 1942 which enabled me to supply allies with most important and then necessary information stop all this can be found in my

detailed report to London war office in February 1943 and can be confirmed by examination of said records.

Captain Antoine Masson MC

I am happy to greet Captain Masson, who is now listening to me from the gallery.

Finally, there is the decision brought down by Mr. Justice Cousineau, of the superior court, who, after a most careful examination of Count Jacques de Bernonville's record, warmly recommended to the Canadian government that he be admitted to Canada.

In his judgment brought down on February 21, 1949, which quashed the first deportation order, Mr. Justice Cousineau declared that absolutely nothing could be held against de Bernonville.

Here are a few excerpts from page 31:

We can state without hesitation that had the minister and the government had the opportunity to re-examine the record and taken full cognizance of the facts brought before this court they would have granted the right of sanctuary to the applicants. De Bernonville is worthy of every consideration. He has a noble line of ancestors; his military record is most glorious; at the age of 20 he was decorated with the Legion of Honour for his deeds of bravery; at the age of 23 he was promoted to the rank of Captain and made an officer of the Legion of Honour.

And further on:

It is evident that de Bernonville was a political refugee when he entered Canada.

The following is taken from page 32:

The deputy minister, Dr. Keenleyside, showed affidavits certifying that during the past two years the minister of mines had authorized the entry of 64 persons without any formal procedure; they could not be subjected to the requirements of the Immigration Act. Undoubtedly some of them had no passport or could not be subjected to the formalities of the investigation committee.

And again further:

The applicant should be granted in Canada the same right of sanctuary recognized by all countries in such cases. It would surely have been granted him in Great Britain where political refugees have found shelter for centuries . . .

The right of sanctuary has for centuries been considered as sacred by all civilized and Christian countries, and Anglo-Saxons have always made it a point of honour, as a nation, to retain the foremost place among the nations of the world when it came to giving sanctuary to political refugees . . .

Here are a few excerpts from the preamble:

. . . Whereas the evidence shows that the applicant, de Bernonville, has fulfilled his duty as a soldier and as a citizen and that he left his country only to avoid political persecution;

Whereas the applicant, de Bernonville, is a political refugee seeking haven in Canada;

Whereas the right of sanctuary is recognized in this country, it has on many occasions been exercised by public authorities, especially in recent times, and it would be contrary to public order and detrimental to the harmony which exists between the various groups of the population to extend such right in an arbitrary and discriminatory manner . . .

The court strongly urges the proper authorities of Canada to grant the applicants a permit of entry and residence, decides and orders that the plaintiff has not shown any valid evidence which would warrant the arrest and detention of the applicants or the deportation order issued against them and declares that, on the contrary, such arrest, detention and deportation order are irregular, illegal, null and void.

I wish to point out to the house that, on August 26, 1948 (A.F.F. of 27), the British under-secretary of state declared at Westminster:

The British government has decided to put an end to the extradition of war criminals requested by various countries.

Count Jacques de Bernonville is not a war criminal. All the more reason, it seems to me, why the Canadian government should deal with condemned political refugees who have taken sanctuary in this country, and more particularly with Count de Bernonville, in the same manner that Great Britain deals with war criminals.

A Canadian Press dispatch mentioned recently that if, during the uprisings of 1837, William Lyon Mackenzie had not found refuge in the United States, there would have been no Mackenzie King, of whom he was a forefather. And if Louis-Joseph Papineau had not found sanctuary in France during the same period, we would have been deprived of Henri Bourassa.

In the past and especially in the last ten or fifteen years, has not our country granted right of sanctuary to political figures against whom weighty charges had been laid? Have we not given shelter to the former president of Cuba, Mr. Gerardo Machado and to Mr. Escobar as well? At present, a former president of a West Indian republic who was deposed after a recent uprising has found refuge here. In fact, does he not live near Ottawa where he enjoys the right of sanctuary which the Canadian government has granted and continues to grant him?

It is a well-established international custom to grant sanctuary to people unjustly accused in their own country. If in taking a decision in cases of this kind, the Canadian government should ever err, I hope it would be on the side of mercy, as was so well expressed by the Right Hon. J. G. Gardiner: *(Text)*:

If we made any mistakes, I hope we made them on the side of mercy.

(Translation):

Finally, I shall quote a few excerpts from an article recently published by Rev. Father Joseph Ledit, S.J., on the right of asylum in *l'Actualité des Tracts*, No. 53:

Everywhere, but especially in Rome, the convents opened their doors to the pursued (during the last war) without investigating their political beliefs or their past record.

Thus, many socialists owe their lives to the fact that clerics and nuns risked death for their sake.

Since then, clerics have been subject to annoyance for sheltering refugees of opposite political beliefs.

The beggar, in dire need, who asks for charity has no strict legal right to alms; yet he has a right to live, a right which has its source in natural law and is confirmed by Christ.

In refusing to recognize that right of the poor who beg alms from me I render myself guilty of an offence against the supreme commandment of charity.

Technically, a jurist who acts strictly according to written laws could have the poor arrested if a municipal by-law prohibits begging. Such justice would become an iniquity.

That is the irresistible force felt by Christian people, who are often nearer to God, eternal justice and divine charity than their leaders.

One last word. Let us hope that the Canadian government will follow the example set by the good Samaritan and will not miss this exceptional opportunity of granting a positive right of sanctuary to a Frenchman who is worthy of the name and is entitled to the gratefulness of the Canadian people.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the debate on the address in reply to the speech from the throne is of great value in one particular respect. Coming at the beginning of the session, it enables hon. members to explain the thoughts and hopes of the people they represent much better than can be done as the session runs on. While the period between the last session of this house and the present session was very short, we did have an opportunity to meet our constituents. That was so even in Vancouver, in spite of the deep snow about which I have heard so much from eastern members since my return. By way of standing up for my own city may I remind Your Honour and hon. members that today the people of Vancouver will be looking at their snowdrops and crocuses while back here it is fifteen below zero, with a north wind. So the west coast is still the banana belt of Canada.

During that intervening period there have been many far-reaching developments. For example, we have had the disclosure, with all it implies to the future of mankind, that hydrogen bombs can be made. We have seen the continuation of the spread of communism in Asia. Many disturbing things have happened, and I believe our people are deeply worried over the situation throughout the world. There has been a great deal of disillusionment in the minds of all thinking people; and that is easily understood. This is a time of great uncertainty for thinking Canadians; and that being so a strong lead from parliament would be most helpful.

This evening I have four suggestions to offer as to what parliament could do at this session to give a lead to the Canadian people. The first is that we keep Canada standing firmly with the other peoples of the world who want peace, yet who are unafraid and are prepared to beat down any aggression. This brings to mind those young Canadians serving in our forces, both active and reserve. I believe we have a splendid group of young men serving Canada. They must be enabled to maintain efficiency and, perhaps even more important, must be made to feel that their efforts are appreciated by their fellow Canadians.

Hon. members will recall that within the last few days some of those young men have been taking part in a military exercise known as Exercise Sweetbriar. It is significant that the area in which that operation was held was the Yukon and Alaska. We must be realistic about the situation today. The shortest and easiest route to the arsenals of democracy and in fact to the heart of democracy is across Bering strait to Alaska, into northern Canada and so on to the United States. The Soviet now has standing with her the communist regime in China, a nation of over four hundred million people. I hope there will be no trouble, but Russia plus China adds up to Canada being probably in greater danger under present conditions than any other democratic nation in the world.

If serious trouble should come in the Pacific area it will probably be in the north rather than the south Pacific. So I warn this parliament that it behooves Canada to take the lead in bringing the nations of the Pacific together, rather than assuming the role of an observer in Pacific affairs. I was disturbed by the attitude displayed by the Secretary of State for External Affairs (Mr. Pearson) in his address the other day. Mind you, it was gratifying to have him emphasize the importance of the Pacific area; but in reporting on the conference so recently held at Colombo he seemed to take the attitude that Canada was just sitting in. For example, he used this expression: "Canada was a dollar

country at a sterling party." I know that in using those words he was referring particularly to currency problems, but that indicated his attitude. Again he said, "Canada was a persistent dollar gadfly." Then with respect to the commonwealth consultative committee, the formation of which was recommended by that conference, he made no statement as to whether or not Canada would join; in fact he said it would be of meagre value unless the United States also joined. I was reminded of the attitude taken a year or two ago when we had to have our ambassador at Washington assure the state department there that at a conference to be held at Canberra nothing would be decided. In effect the minister damned with faint praise this suggestion of a commonwealth consultative committee; and that attitude is not in line with the menace to Canada in the Pacific area. I hope that when the minister speaks tomorrow he will tell us that Canada has decided to join that committee, and I further hope he will say that the Canadian government has decided to advocate a Pacific pact just as there is a North Atlantic pact.

I believe we would have support for such a proposal. I have here a dispatch from Bangkok, Thailand, dated February 15 and headed, "U.S. diplomats want Pacific alliance." There is a great demand for a Pacific pact; and under present conditions Canada's position is so dangerous that she should take the lead in advocating such a pact. At the present time we are in the ridiculous position that of all the nations of the commonwealth only Great Britain and Canada are in the North Atlantic pact. Australia, New Zealand and South Africa cannot join.

My second suggestion as to what this parliament could do by way of giving a lead to the Canadian people at this time is that we could enact legislation at this session to raise the standard of living of those Canadians who are in want. That is extremely important when we are faced with the menace of communism. Our failure to take steps of this kind is our Achilles heel when we are attacked by Canadian communists within our own country.

Let me give you some examples of what we could do. First of all, today no one accepts any responsibility for the employable unemployed, unless they are qualified for unemployment insurance. There are many thousands who cannot qualify for that insurance. The belief is held across the country that the care of these men and women is the responsibility of the dominion government. This government should say what responsibility it will accept for those people who are having such a difficult time. I am afraid the government is evading that question. I hope a statement will be made during this session as to just what responsibility Ottawa will accept.

Another example would be the raising of the ceiling on permissible income under the Old Age Pensions Act, to correspond with the increase in pension which was provided about a year ago. Because that was not done, at least a quarter of the old age pensioners in Canada did not get the full benefit of that increase. I believe the figure is approximately 63,000 senior citizens of Canada. This means that we penalized thrift, because those people who did not get the full benefit of the increase were the people who had some small income.

I suggest further that we should, at this session, establish a system of contributory pensions and abolish the means test. The vast majority of Canadians are willing to pay towards a contributory pension scheme. They have no other way of saving enough to retire when they reach an advanced age. I venture to say that few of the members of this house have any other way of providing for their old age, taxation and the cost of living being so high today. By and large, the Canadian people are in that position. We should no longer delay in making it possible for them to protect themselves under a contributory pension scheme.

Then, too, I believe there are few Canadians who do not wish to have the means test abolished. They resent the humiliation of that means test. It is un-Canadian, and it should go. It is going to go; it is just a matter of time before it is a thing of the past. It is delaying adequate industrial pensions in Canada. I believe most of the members of this house, when they stood for election, promised the electors that they would abolish the means test. Yet, in the second session of this parliament, it is quite obvious there is no intention of removing that means test. All we are to get is a committee, which is to review the whole question and then report at the end of the session. You know, Mr. Speaker, I know, and everybody in the house knows, that is merely a delaying action.

Another group who are in want, and who should be helped at this session, are the older veterans of Canada, the men who served this nation on the battlefields of France and Belgium. In the speech from the throne, there is a statement that the war veterans' allowance is to be made payable to those veterans who served in the allied forces. The government is to be congratulated on taking that step, even though it only comes after some of us have been advocating it for 15 years. I hope the legislation will be wide

enough to cover the men who served in the South African war, as well as those who served in the first great war.

Other amendments to the War Veterans Allowance Act are urgently required. I believe the war veterans' allowance should be increased to equal the old age pension. In British Columbia the old age pensioner draws $50 per month and his wife draws $50 per month, making a total of $100. In addition, both man and wife get free hospitalization, dental care and other benefits. On the other hand, the recipient of the war veterans' allowance, the man who served this country in the trenches, receives only about $40 if single, and about $70 if married. He may get hospitalization, but his wife does not. As a matter of fact, under the provincial hospitalization scheme, the veteran is compelled to pay a certain amount to the provincial government to cover his wife's hospitalization. It can only come out of his small veterans' allowance. I know of one case where a man who served in the German forces during the first great war came out here and settled, and he and his wife are now drawing an old age pension of $100. The Canadian veteran who served against him can only get approximately $70. That is a ridiculous situation, and it should be remedied at this session.

Furthermore, the time has come to decentralize the administration of the War Veterans Allowance Act. First-class administrators are now available in the districts, as well as adequate staffs. They are in close contact with the veteran, and able to deal with his case without delay. The war veterans' allowance board in Ottawa are out of touch with the veteran. Mind you, this board have done a great deal of good work, but they simply cannot appreciate the position of the veteran in the same way as the men who are out there living with him. There are long delays. I believe it sometimes takes as long to get a decision from the board in Ottawa as it took to investigate the case out in the province. Furthermore, if there are overpayments, it means delay in getting the matter adjusted. The first thing the veteran knows, he receives a letter telling him he has to pay back a large sum of money. I believe if these applications for war veterans' allowance were dealt with locally, with an appeal to the board in Ottawa, there would be far more satisfaction and far more fairness, as well as quicker action in dealing with these cases. Remember, when a man needs the war veterans' allowance, he needs it in a hurry. He is not in a position to wait for a long time for a decision from Ottawa.

I intended to say something about the men in the merchant navy, but the members of the house know my position on that question quite well. They should be getting far better treatment than they have received. I hope something will be done for them at this session.

Also, I endorse the appeals made by so many members of the house in this debate, that a special committee on veterans affairs should be set up at this session, the second session of this parliament; and there has been no such committee yet. There are many new members in this parliament. They should be given the opportunity of becoming acquainted with veterans legislation; and the rest of us should be given the benefit of their views as to what should be done to improve that legislation.

My third suggestion has to do with improving the efficiency of the government, and I am looking right at the Minister of Public Works (Mr. Fournier). In these days of threats of war and mounting unemployment, with the cost of living at an all-time high and with taxation still at wartime levels, the Canadian people become exasperated when they learn that the government is not observing businesslike precautions in awarding contracts, and is awarding those contracts to favourites. This has happened recently in Vancouver with regard to at least three public buildings, namely the Alvin building, the Begg building and the Catelli building.

There was some discussion about two of those buildings on the last day of the last session. If hon. members wish to refer to that discussion they will find it at page 3112 of *Hansard* of 1949. After the session ended the Minister of Public Works was good enough to send me the documents which I had requested when asking him questions on that last day.

Let us take the first one, the Alvin building. On April 6, 1948, an order in council was passed authorizing the Minister of Public Works to enter into a lease of a building to be constructed. I have here the order in council. It set out that there was a shortage of office accommodation in Vancouver and that was true, but there were buildings which could have been purchased, I believe. The order in council reads:

> An offer has been obtained, however, from the Alvin Estates Limited to construct a fireproof building on their property—

I direct attention to those words "on their property".

> —and to rent it to the crown on the following terms and conditions.

It was to be a four-storey and basement fireproof building and the rental was to be $96,000 a year, which is quite a substantial

rental. The period of the lease was to be ten years from the date of occupation, and the government was to get an option to purchase the property at $554,000 at any time within the first twelve months of occupation.

You will note, Mr. Speaker, that the order in council sets out that the lease is to be from Alvin Estates Limited. No tenders at all were called. There was no competition. The company was not in existence at the time, I believe; it was incorporated a week or so later, on April 14, 1948. At all material times there have been three shareholders, and the same persons have been directors. There may have been the odd qualifying director, but substantially there were three shareholders and three directors. Two of them, Messrs. Allan and Viner, of the contracting firm of Allan and Viner Construction Company Limited, and the third, Mr. Braidwood, solicitor, all three close to the government. They apparently found out that there was a chance to do business with the government. The Minister of Public Works, in his answers to be found at page 3112 of last year's *Hansard,* told me that in March of 1948—and that is the month before the order in council—Alvin Estates Limited offered to construct a four-storey building. As I say, the company apparently was not incorporated until after the order in council was passed. It did not acquire the property until June 11, 1948, when such property was obtained from those same three men for $45,000. One-third of the property had been held for a couple of years by one of the men and the other two-thirds had been acquired by the others in May, 1948, for $7,000 each. That is, those two men apparently paid $14,000.

Then on July 20, 1948, another order in council was passed. This means that it is not a matter for the Minister of Public Works only. Each step was taken by the cabinet. I have here the order in council for July 20, 1948. It sets out that there shall be three more storeys put on the building and the figures go up to a yearly rental of $146,940, with a purchase price of $862,155. The order in council also sets out that there had been a parliamentary vote, number 828, for $800,000 for purchase, alterations and extensions from Alvin Estates Limited. Here again no tenders were called and there was no competition. I think it is reasonable to assume that these three men were able to finance their construction largely on the basis of the fact that they had a government lease. Debentures were issued. Although I cannot verify this, I am told that most of those debentures were held by the three men, doubtless being put up with the bank or some other lending institution as security for their financing.

Then we have another order in council of February 8, 1949—and this is the third one—dealing with equipment and fixtures for the building; this is apparently for permanent fixtures. The figures now go up by $200,950, until the annual rental mentioned in this order in council is $183,995; and mind you, this is for a ten-year lease which means getting as rent over $1,800,000 and having the building after that. The total purchase price, if the option is exercised, has now gone up to $1,063,105. The order in council sets out that it is the intention to exercise the option to purchase the building within the time specified, and goes on to say that the rental is so high that the option should be exercised quickly. This was over a year ago. The copy I have shows that the monthly rental is $13,332.90 but I think that is a mistake and the figure should be $15,332.90. The order in council, in its last paragraph, gives authority to go ahead and complete the purchase.

When I questioned the Minister of Public Works in December he said that his department was going to exercise the option and buy the building. Then there was a good deal of publicity in Vancouver, and I understand the option has not yet been exercised. The government is still paying this rent of $15,332.90 a month and apparently only a few days remain within which the government can exercise the option. I am told the date is March 16.

I would point out, Mr. Speaker, that this business was handed out by the government to favourites. No tenders were called. No attempt was made to call tenders. The city assessment of the property is $508,725. The building permit for which application was made was about $451,000 although I believe that was meant to cover only the original arrangement. The contractors did not bother to take out any further building permits. If this deal is carried through the total cost to the country will be $1,063,105, plus whatever rental has been paid, which I think will amount to between $100,000 and $200,000 additional.

In Vancouver this deal is the talk of the town. It is considered fantastic by the man in the street, by responsible construction men, by real estate men and by the workmen who worked on the building. The Vancouver *Sun,* which is an ardent supporter of this government—

Some hon. Members: Oh, oh.

Mr. Green: Hon. members are glad enough to get their support at election time, and certainly get it. The Vancouver *Sun* has taken a fighting lead on this question,

demanding that it be cleaned up, and quite rightly so. They have demanded that the building be expropriated.

I say to the minister and to the government that we look to the government, and we look to our own British Columbia minister, the Minister of Fisheries (Mr. Mayhew), to see that this mess is cleaned up, and cleaned up quickly.

The second building, the Begg building, was authorized to be purchased by order in council on April 20, 1948, for $375,000. It was an automobile sales building, and that price was plenty. On January 7, 1949, a contract for extension was let to Allan and Viner Construction Company, Limited. All this took place at the time they were building the Alvin building. The contract was for $850,000. There was no competition; there were no tenders. The contract says they are to get a fee of $25,000. I believe it is the custom on the coast also to have sub-trades allow a certain commission, in some instances as high as 10 per cent. On August 24, 1949, the cabinet increased that figure by $200,000 to $1,050,000. On that increase of $200,000 the firm is allowed an additional 3 per cent. Since then I believe it has gone up another $375,000, so that the repairs and improvements to that building are costing $1,425,000, making with the original purchase price a total of $1,850,000, and I believe the work is not yet completed. It was not completed when I left Vancouver.

The third building is the Catelli building. The contract to change over that building was given to the same firm during the same period without any tenders, without any competition, at a figure of $67,197. That makes a total over $2,500,000, without any tenders, given to the same group. The government has no right to use public funds in this way. The government has no right to allow anyone to have the inside track. Therefore I suggest that at this session parliament could and should act to improve the efficiency of government in Canada.

My fourth suggestion as to what this parliament could do by way of giving a lead to the Canadian people is that it could enact legislation to ensure that Canadians are enabled to carry on with the building of a great nation by providing that our Canadian resources will be used in Canada to the maximum extent possible rather than being sold out to the United States. That is particularly important now with our promising discoveries of oil, natural gas, iron and uranium. These resources can be the pillars upon which we build a great nation. They are essential for greatness in the second half of the twentieth century. Canada needs a national oil and gas policy. We also need a national iron and steel policy both designed to give the Canadian people the utmost benefit from these resources. Without such a policy much of the benefit will go to the people of the United States. By and large they are the people who are putting up the money for these developments and naturally enough if the Canadian government, if the Canadian parliament, does not adopt a national policy the people of the United States will get just as large a proportion of these natural resources as they possibly can.

I believe—and I am glad the Minister of Trade and Commerce (Mr. Howe) got back today, and is here—that the government's policy is to sell as large quantities as possible of these raw natural resources to the United States, namely, oil, gas and iron. We know that the government is sending our oil down to Superior, Wisconsin. With regard to natural gas, last year we had the Minister of Trade and Commerce and the Prime Minister (Mr. St. Laurent) battling to force through a bill for a company that was going to pipe natural gas down into the states of Washington and Oregon before it got to British Columbia. With iron, members might just wait and see if the policy will not be the same; get it down to Massachusetts, get it down to Cleveland; sell it in the raw state and get the money for it, and do not worry so much about using it here in Canada to the largest extent possible, to build up this nation. Sending these commodities to the United States in that way means jobs in the United States. It means that your son and mine will probably have to migrate to the United States to get work. In the next fifty years it may mean Canada becoming a satellite of the United States rather than a great nation in her own right.

In respect of these discoveries, these great resources, we are trustees for the Canadians of the future. What this parliament does about them in the next four or five years may well be the deciding factor in Canada's rate of progress in the remainder of this century.

These are my four suggestions, Mr. Speaker. In conclusion may I say I believe that each of these suggestions meets with the hearty approval of the citizens of Vancouver-Quadra, whom I have the honour to represent in this house, regardless of their political allegiance; and I place these suggestions before the government and more particularly before the private members of the house. I have more confidence in them than I have in the members of the cabinet. I place these suggestions before the house for that serious and earnest consideration which I believe is characteristic of the members of this present parliament.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, may I follow tradition and offer, at this stage of my remarks, sincere congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply. Both these new members did credit to themselves and to their constituents in the way they delivered their messages to the house and country. I hope in the years to come they will continue to sit in parliament.

I have not had many occasions to congratulate those who have spoken on the address. I have not spoken in this debate myself since 1942, and I needed one special invitation to decide whether or not I should speak on this occasion. Generally I attend to the work of my department and the work of the house, doing my utmost to please everyone.

In the seven years and five months I have been head of the Department of Public Works, this is the second occasion upon which I have been taken to task for some of the doings in the department. One of those instances—and that goes back to wartime—was when I was kept on my feet for some hours during the passing of my estimates in connection with the blowing up of Ripple Rock.

Mr. Green: And it has not been blown up yet.

Mr. Fournier (Hull): That, too, was from British Columbia. This is the second time criticism has been levelled at my department, and it still comes from British Columbia. In 1947, travelling through British Columbia, I had to go over Ripple Rock. When first I awakened in the morning there was an editorial appearing in one of the papers there stating, "Sleep well, Mr. Fournier." I did sleep well. The rock is still there; a million dollars was spent to try to take that rock away from British Columbia, but without success. I went to the United States to obtain the best engineering views, but we did not succeed.

I am taken to task tonight by the hon. member for Vancouver-Quadra (Mr. Green). I could see, as soon as he came in from Vancouver, that something was not the same about him. He was not smiling as much as usual. He did not cross the floor to come and shake hands with me, as an old colleague of fifteen years. I was asking myself: "What is the trouble with him? I should help him to sleep well and to digest well." Well, this afternoon, around 3.30, I received a very courteous note from the hon. member telling me he was going to show us how to run the Department of Public Works.

Mr. Green: No, I said I was going to point out some of your mistakes.

Mr. Fournier (Hull): Well, you could extend that, and try to run it; and if ever you become minister of public works I hope you do as good a job as I am trying to do.

At all events I appreciated the note. It was a mark of courtesy. I crossed over the floor and said to him, "What is the trouble? Are you violent or mild, or are you rabid?" He said, "No, I will be very mild." I said, "I am glad of that, because after dinner I like to be mild myself." So, during the course of this little speech I shall try to be as mild as I usually am.

The hon. member spoke for forty-two minutes. For eighteen minutes of that time he referred to external affairs, employable unemployed, and unemployment. He spoke about old age pensions, veterans affairs and men in the merchant navy. Then we had reached 8.20 o'clock, and it seemed that he then thought he would show us how to have a government department run efficiently. He spent eighteen minutes doing that. He told us there were three things he wanted to prove to the House of Commons, which were not correct. But he got winded and went back to gas. He then spoke about gas lines, the export of power and so on.

Well, I had heard for the last two or three months that one newspaper in the country was speaking about public works activities in one city in Canada. One newspaper out of I do not know how many daily newspapers, and I do not know how many weekly newspapers, undertook to have on its front page sometimes my photograph and sometimes the photograph of the hon. member for Vancouver-Quadra, and to state what had transpired on December 10, during the last session of parliament.

I did look into that. Indeed, I was so polite that I invited several members of their staff to come to my office. I took out the files and showed those files to them. Then I said, "Now, young man, if you were sitting here, what would you think of those deals?" I am not going to give you the answer, because it was made off the record; but I was elated to see that the man had judgment.

Then, going back to their home paper, they did print certain things that I had told these people—but the comments they made! They were out of all proportion to what was being discussed in those three deals.

On the last day of the last session, two hours before prorogation, my hon. friend was about the only one who did discuss my estimates. I should think that is quite a good average, when out of 262 members only one

of them could criticize the Department of Public Works. I should think that is an average of about 97·5 per cent.

Mr. Green: You kept your estimates until the last day.

Mr. Fournier (Hull): Oh, I am making a mistake; that would be 97·5 per cent of the members of the opposition. And if we take the whole membership of the house it would be about 99·2 per cent. So I was quite satisfied when the session prorogued that I had not been doing too badly. And I am going to tell you why I was not doing badly. After this cross-examination—

Mr. Green: I warned you about it the night before, did I not?

Mr. Fournier (Hull): I beg your pardon?

Mr. Green: I warned you I was going to ask questions.

Mr. Fournier (Hull): Yes, and you told me other things.

Mr. Green: But I—

Some hon. Members: Order.

Mr. Fournier (Hull): No, he is quite in order—because we are such good friends that after this speech is over we will be congratulating ourselves on how well we have spoken. If he has any questions or interruptions, let him go right ahead.

If hon. members will turn to *Hansard* for December 10 at page 3112 they will find this:

Mr. Green: I should like to ask the minister about two buildings, one of which is known as the Alvin estates building and the other as the Begg building, both in Vancouver—

And then he spoke about the site for the new post office building in Vancouver. He put a number of questions as to who were Allan and Viner, and what was the cost. We were discussing an item of $1,100,000 which was in the estimates for the special purpose of purchasing the Alvin estates building. It is on this item that this discussion took place.

I shall not read the whole of what was said at the time, but if I could just give a résumé of what struck me at the time, I found out that my hon. friend from Vancouver-Quadra did not like some gentlemen by the names of Allan and Viner living in Vancouver.

Mr. Green: I do not dislike them at all.

Mr. Fournier (Hull): Well, I do not know; the way you spoke, it was far from being favourable to these people. The hon. member said this:

I hope that no more deals of this kind will be put through by the department, and that they will stop handing all these contracts to Allan and Viner.

[Mr. Fournier (Hull).]

Now, if the hon. member did like the people perhaps he would encourage me to give them contracts. But here the hon. member was not doing that. He was trying to tell me that these gentlemen were friendly to the government, and that they were getting work from the Department of Public Works. I will tell you one thing: I had enough trouble to get a place in your fair city, Mr. Member from Vancouver-Quadra; but if I had to start over again I do not know that I would undertake the task. The hon. member mentioned the Vancouver block in his little speech. That building had been built for forty years in 1945. It was quite an old building and I can give the house a description of it if needed. That building was offered to the department for $1,500,000. I had a report on the cost of renovating the building so that government employees would have some comfort and the figure given was nearly $1 million. That would have meant an outlay of $2,500,000 and the building is not as good as the Alvin building.

Mr. Green: But it is right in the centre of the city.

Mr. Fournier (Hull): The hon. member is speaking of the site now, not of the building. I am not going to speak of external affairs or any other matter tonight; I am going to refer only to these three questions. I believe the hon. member has spoken in good faith but I am going to try to prove that I was right in following advice. The Public Works Act states that I must follow the advice of these people and I did. That will be my defence in connection with these three deals.

It was said that this was giving things to friends of the government. I do not think my officials know these people, and I certainly do not know them. I have never met them nor seen them. You cannot expect the Minister of Public Works to go all over the country meeting contractors and deciding whether they will be given work. I am advised, and the law says I should be advised by certain people in the department. In the seven years and five months that I have been there I have been well advised.

Coming now to the three deals. In 1947 the pressure for more space in Vancouver was considerable, particularly from three departments. There were nights that I could not sleep thinking that unemployment insurance might be put out on the street when we were thrown out of the Vancouver hotel. At that time income tax occupied six different buildings, the Winch building, post office building, the Metropolitan building, the Macaulay-Nicolls building, the Begg building, and then for storage purposes, the Winch building, the post office, the Royal Insurance

building and the immigration building. That was the income tax set-up in 1947 in Vancouver.

I do not know just how many buildings unemployment insurance occupied. There was no continuity in the government service in the set-up of those departments. How did that come up?

During the war no office building was built in Vancouver. The last building was started in 1933 and completed in 1939. We did get some space at the beginning of the war under rent control and we were so harsh with those people that members of this house who are sitting right here tonight came to ask me to vacate space occupied by the government in order to give young veterans who were coming back from the war a chance to establish themselves in business or the professions. I am looking now at hon. members who came to me to make that request.

In the fall of 1947 I had a report from Mr. Dawson on space that could be rented or bought. During the war and even up to 1947, the policy of the government was not to put up public buildings. We wanted to give the people a chance at the materials and labour available. Some of the largest construction associations in the country sent me resolutions and letters asking that public buildings be not constructed by the federal government because of the great demand for labour and materials. When my estimates were being discussed in the house in 1946 and 1947 I do not know how many members told me that I was right in not having public buildings constructed. During those years my estimates were kept down to about $15 million.

In 1947 the war had been over for two years and the demand for space was still pressing. We could not put up buildings but space had to be found and I, as Minister of Public Works acting as agent for the other departments, had to find space. What did we do? Mr. Dawson is the resident architect in Vancouver. He has lived there nearly all his life except when he was overseas during the war. He was born, bred and educated as an architect in Birmingham, England, and then he spent the rest of his life in Vancouver. The reports I get from Vancouver are that Mr. Dawson is so honest that no one in that province would dare to make any insinuations against him. I have been told so by the highest authorities in the province. He has had the confidence of my department ever since he has been in that district. I have found him to be a good adviser and under the act I am supposed to follow the advice which it is one of his duties to give.

He became so discouraged about the situation that I sent out Mr. Cherry, the head real estate man at headquarters of my department. I also sent out Mr. Boucher, chief of leases in the department. They returned without success after making efforts to meet people who would rent, sell or construct buildings for the use of the government.

We had a conference and decided to send out Mr. A. K. Mills, who is supervising architect in my department and probably one of the outstanding architects in the country. He went out to Vancouver and after being there two or three weeks he returned and reported to my deputy minister, who by the way handled quite a bit of construction during the war years. Mr. Mills reported to the effect that the only firm that could put up a building of some 75,000 to 100,000 square feet was Allan and Viner. Mr. Mills reported that he had discussed the matter with these people but without committing the department. The matter was discussed with the deputy minister and the chief architect and then those people in turn discussed it with me as minister.

If the hon. member had read all of the first order in council he would have found out that all this did not come out of the blue sky. We had worked on this matter for about six months before we could find someone who could give us a guarantee to provide a building that was needed for income tax or unemployment insurance within the year. I slept well that night because I thought that at last we would have space in the good city of Vancouver. I went to cabinet with this submission. Referring to Vancouver and the different offices that income tax occupied, I said that the space was crowded for the then staff of 981 civil servants and that it would be impossible to accommodate the additional staff required to bring up the complement to the authorized figure of 1,280.

Hon. members must remember that I am the agent for these departments. According to the law I am supposed to get them the space they need so that they can carry on their duties and functions. The Minister of National Revenue (Mr. McCann) had the right to call on me to get space. Here is what I said:

> A further difficulty arises owing to the fact that all income tax forms have to be retained for a period of four years and the space presently used for this purpose is both entirely inadequate and unsuitable for personnel to work in. As a result of a survey of the situation in this respect it is considered that the acquisition of a minimum of 50,000 additional square feet of space is necessary in order (1) that the present staff may have sufficient room; (2) that space may be made available for the additional authorized staff and (3) that adequate accommodation be provided for the storage of records and income tax forms.

I do not think better reasons could be found for entering into a deal to furnish space for

one of the essential departments of government, the department that collects the money we need for the service of Canada. Here is what these officials said to me:

That as no office buildings for rent have been built since 1939 in Vancouver and, in view of the extremely rapid growth of the city—

I am glad to know it is growing every day, and perhaps that is why buildings are becoming more expensive.

—there is no available office space in the locality.

Am I to take the advice of these men, in whom I have confidence and who have been appointed to advise me?

An offer has been obtained, however, from the Alvin Estates Limited to construct a fireproof building on their property and to rent it to the crown on the following terms and conditions:

Mr. Green: What date was that?

Mr. Fournier (Hull): This was when we had seen nearly everyone who owned office space, or who might be ready to sell or build, or who had any proposition to offer which might provide accommodation quickly for these departments. It was after all this that we presented this submission to council. The rental asked for this space was $96,000. If you just stop there it seems like an exorbitant rental; but what if we had rented the Vancouver block at $3.30 a square foot for 100,000 square feet. Do you realize that would have meant a rental of $335,000 a year? In the case of the Alvin building the rate per square foot was $2.14. Now do you want to hear how much is paid per square foot for other buildings in Vancouver? I shall give you a list of seven, and you will see why I am so proud of this deal. You know all these buildings:

	per sq. ft.
Wolverton building	$2 90
Benthal building	2 75
Stock Exchange building	2 75
Vancouver block	3 30
Marine building	2 75
386 West Hastings street	2 60

Comparing our price of $2.14 with those prices, I think I could get the unanimous approval of all hon. members in this chamber, with the exception of perhaps one or two, for this order in council. Needless to say I got the unanimous consent of cabinet. But I will tell you a secret. The policy of the government was that we would not put up buildings ourselves, because I know how long it takes to put up a federal building. We always had in mind the acquisition of the property, keeping in mind the cubic content of the building, the square foot area, and so on. This was discussed with my officials, and they estimated that if built according to the specifications set out at that time, the building would be worth $554,000. So I told them to get an option to purchase at that price, not to mind the amount of rent so much if we could get the building within the year, but to try and get a price for its purchase.

Well, cabinet did adopt this submission; but time went on. Government never remains static; departments develop and need space. I cannot ask these departments to keep their employees working in fifty square feet of space per person, as I did during the war. Who would expect me to keep these employees working in unsanitary and cramped quarters? As time went on we found that the Vancouver hotel was to be torn down and that unemployment insurance, another important service in our country, would be out on the street. We tried to turn the Vancouver armouries into office space, but I was advised that it would cost too much, and that we would interfere with the activities of the Department of National Defence. So, having two departments on the street, we had to pass a second order in council on July 20, 1948. I am trying to give you the story as it developed; and while I am speaking I am thinking of those old and efficient civil servants in my department who prepared this case and advised me on it, and whose suggestions I adopted. The second order in council stated:

That the order in council (P.C. 1382) of April 6 granted authority to lease from the Alvin—

That is just repeating the order in council.

That order in council (P.C. 1466) of April 20, 1948, granted authority to purchase, for the accommodation of the Department of Labour, unemployment insurance commission, the Begg building property situated on Georgia street, at the corner of Thurlow street and extending to Alberni street, with a frontage of 132 feet on each street, from Begg Motors Limited, for the sum of $375,000 and to perform the necessary alterations and improvements to the building at an estimated cost of $354,500;

That, after consultation with the departments of national revenue and labour, it was decided that the needs of those two departments could best be met by accommodating the national revenue department in the Begg building and the labour department in the Alvin Estates building;

That the building proposed to be erected by the Alvin Estates Limited on Robson street was a four-storey and basement building but to fully accommodate the Department of Labour it was found necessary, in view of their increased activities, to provide a six-storey building for which the rental would be $135,504 per annum and the purchase price increased to $781,641;

That the chief architect of the Department of Public Works has now advised—

Listen to this, because I quote the statute to show that this was done according to the legislation under which I am operating.

—that the city of Vancouver has decided to widen Robson street at that point taking seven feet off each side of the street. This will have the effect of reducing the floor area in the proposed six-storey building and, on a recommendation from the district resident architect of the Department of Public Works and from the regional director of the unemployment insurance commission at Vancouver, the

chief architect has reported it is necessary that a seventh storey be added at an increased cost of $80,514 and at an increased rental of $11,436.

In the 1948 estimates there was an item of $800,000 for the purchase of that building. That money was not expended because the building had not been completed and we could not take possession. Now, however, you see what is happening. Unemployment insurance is going over to the Alvin building, where all their activities will be centralized with the exception of casual labour, while income tax is going over to the Begg building. I have been told repeatedly that in all Canada the income tax branch has no better space than in the Begg building in Vancouver.

Mr. Green: They should have, for the amount that has been paid.

Mr. Fournier (Hull): Just wait until I discuss that, because you do not know what you are talking about. You have not studied this as I have. Be patient, and I will tell you.

Mr. Smith (Calgary West): Address the Chair.

Mr. Fournier (Hull): If I should say a hasty word, Mr. Speaker, I withdraw it before it is said. So we have one of those two departments in the Begg building; and if the minister speaks I know he will tell you that it is the best space he has anywhere in the country. When the hon. member cross-examined me on December 10, one of my colleagues stood up in revolt, and said that the unemployment insurance commission had finer offices in Vancouver than in any other city in Canada.

Mr. Green: The best price was paid for it, too.

Mr. Fournier (Hull): It has not been paid for as yet, so your remarks are premature. When we decided to have these two departments well housed so that the public would receive the service they deserved and the civil servants would be in a comfortable place to do their work properly and efficiently, I thought that in helping the efficiency of the other departments it was a sign of efficiency in my department.

On January 31, 1949, to complete that Alvin building—mind you, this work could have been done by the officials of this department, but not in the time that that firm could do it. The unemployment insurance commission subsequently advised of certain additional items of work which would be required to complete the building, and the lessors were directed to have this work incorporated, on the understanding that the annual rental and the option price would be adjusted accordingly. It was at that time that we installed three vaults, phone conduits and outlet plug-ins. We installed fluorescent fixtures and lamps to give 35 foot-candle at desk level throughout; installed a janitor cupboard and sink on the ground floor; installed engineer's shower, toilet and basin in the basement; interior partitions, railings, counters, sectional panel and glass partitions to the ceiling, sink and cupboards in lunch room and soundproof walls. All these were shown on the plans that were given to us by the unemployment insurance commission. These expenditures are detailed in this order in council. The estimates were prepared by these two bodies, the unemployment insurance commission and the officials of my department. If this amount that was added on January 31, 1949, is considered, it will be found that the three option prices we have amount to $1,063,105.

Now, that estimate was given to me by the resident architect and was confirmed not long ago by the estimators for one of the outstanding contracting firms in this country. We did not look at the building and decide it was worth so much. We asked a large firm in Canada to give us their opinion, having all the specifications, all the material and labour that went into that building; we submitted those facts to two of the outstanding estimators who work for one of the largest companies in Canada, the E. G. M. Cape and Company.

Mr. Green: When was that?

Mr. Fournier (Hull): After all this noise about giving away the public's money, and getting nothing in return. I was astounded at that charge. We have not purchased the building yet, so everything that has appeared in those articles in the *Sun* is without foundation in fact. We have not completed the deal.

Mr. Green: Is the department going to buy it?

Mr. Fournier (Hull): If the hon. member will be a little patient, he will find that my story is quite interesting. When I reach the conclusion, I think the hon. member will agree with me. An attempt was made to arrive at an evaluation, and accordingly a regular take-off was made such as would be done in an architect's or engineer's office, wherein the exact quantity of each component part entering into the construction of the building was determined, and the labour needed to execute the work; after which these were priced by two contractors' estimators loaned by one of the largest contracting companies in Canada. I have named the company, the E. G. M. Cape and Company.

I do not know whether they are friendly to us, but I know they are one of the largest companies in Canada.

Mr. Green: In Montreal?

Mr. Fournier (Hull): I do not know. They gave us a valuation over the one that is in the option in this order in council.

I took this matter seriously, and for my personal benefit I explained the facts to the head man of one of the largest valuating firms in Canada. It is located in Toronto and is known as the Bosley Company. I do not know whether you know the company. I met Mr. Bosley once or twice, but I have been told he has been doing work all over the country. I do not know his political faith. He was sent out to Vancouver and looked at the building. He reported it was a good buy.

I believe I have given the member for Vancouver-Quadra most of the information. If only he had read it all in the house, I would have been satisfied. When the hon. member cross-examined me on December 10 he was just fishing, and had in mind that the public works department was trying to favour friends of theirs.

Mr. Green: No, that is not fair.

Mr. Fournier (Hull): If it is not fair, I will withdraw.

Mr. Green: You see, there were no tenders called for any of this work.

Mr. Fournier (Hull): I shall take the hon. member to my office and give him a month's training. When one is buying a property, one does not ask for tenders. If that property is needed, you negotiate and attempt to get it at the best price you can. Tenders are asked whenever you are going to erect a building. It was not the policy of the government to do so. I had to find space. One does not ask for tenders when a property is being purchased. You send someone who knows values to discuss it with the owner, and try to make a good deal. In all these deals, even amongst private people, there is always one party who feels satisfied, while the other believes he has made a mistake or has been victimized. There are no fixed values when putting up a building or even buying property. Three valuators will not give you the same figure.

When the department prepares estimates before calling for tenders on a million dollar job, it receives offers varying from fifty to sixty to a hundred to two hundred thousand dollars from outstanding contracting firms. You cannot have exact figures. I would be satisfied if I paid 3 per cent over and above the estimated value for this building. I would think my advisers had been wise. Now, that was the first deal. Does not the hon. member think we should purchase it? He has listened to me and I have told him I have received the advice of my own officials, and that I have gone outside and got valuations from other firms. This is the price. Does the hon. member not think we should buy it?

Mr. Stewart (Yorkton): Oh, sure.

Mr. Fournier (Hull): Mind you, the hon. member approved of the money to purchase this property on December 10. A vote of $1,100,000 was approved and the money is in the treasury. I can purchase that building. No one tried to stop the vote, and it was voted unanimously.

Mr. Lennard: No, not unanimously.

Mr. Green: Rather a weak excuse.

Mr. Fournier (Hull): We were not so numerous then, and probably those who are saying, "No, no," were not in the house at that time.

Now, let us consider the Begg building. It was occupied by the War Assets Corporation. Since we were having trouble finding space, and the activities of that organization were diminishing, we did ask them if they could find some other location. I thought it was a vanishing department, and we could put a growing department into that building. This building had been erected under the supervision of Mr. Viner. I do not know him, but I am informed he was one of those who helped erect the first Begg building for Mr. Begg.

When it came to repairing, altering, redecorating and adding to this building, I still was told by my advisers that this gentleman knew the building better than anyone else. We had to do this quickly. It often happens that these repair jobs or alteration jobs are not given by calling tenders because even the contractors do not know exactly what is to be done; they can find out the needs as the department gives them when they go on with construction.

We needed to add to that building I do not know how many floors. The plans and specifications for those floors were prepared by an outside architect, Mr. Lort from Vancouver. His estimate at that moment was $850,000 for the proposed work. We offered Viner a fixed fee of $25,000 on an $850,000 job. He accepted. It was understood that if the plans were expanded or modified and the expenditure went over the amount of $850,000, he would be satisfied with a 3 per cent benefit. Our own man and architect was supervisor of the building. That is a building with a cubic content of 1,900,000 feet.

Mr. Green: It is not an office building at all.

Mr. Fournier (Hull): Government buildings generally cost $1.25 per cubic foot. This Begg building cost $1. The Alvin building cost approximately 92 cents per cubic foot. Compared with those figures, the other buildings that were built and are being built right now in Vancouver, I am told cost $1.06 to $1.10 a cubic foot.

I have not yet mentioned one of the most important points. These buildings were delivered to the government within the year; within eleven months. Since I have been in the Department of Public Works or even since I have been in the house I have never seen the Department of Public Works put up a million dollar building in less than three years.

Now I wish to deal with the Catelli building. When we were thrown out of the Vancouver hotel, that is the place in which we took refuge. We got a lease at 67 cents or 68 cents per square foot, for five years. You say that is not all the story. Certainly it is not. The space was not in a condition in which to house the civil servants. We spent $67,000 in making the partitions, alterations, and redecorating and fixing it up for the civil servants. Do you know what that cost the country per square foot? It cost $1.26. That is the lowest price for space that we had in Vancouver.

Mr. Green: Were any tenders called?

Mr. Fournier (Hull): No, not for a repair job. All right; I will change over right now and try to give my hon. friend satisfaction.

Mr. Casselman: It is forty-five minutes now.

Mr. Fournier (Hull): When my hon. friend goes so far as to say that the minister or his officials did not act according to the law, I would ask him to look at section 36 of the Public Works Act. I have tried to show the house that there was urgency in this matter. The hon. member may or may not believe me, but my colleagues know that there was urgency. If the hon. member will look at section 36, he will find that this is what the law says the minister shall do:

> Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases
>
> (a) of pressing emergency in which delay would be injurious to the public interest;

Who is to judge if there is an emergency? I always thought it was the minister. Perhaps I should consult the members of the house before going into every deal, but I did not think that was the spirit of the law.

Mr. Green: May I ask the minister if there were in British Columbia any other no-tender contracts?

Mr. Fournier (Hull): In the country?

Mr. Green: In British Columbia.

Mr. Fournier (Hull): I recall that we did ask for tenders in that province in the last years of the war and nobody would tender.

Mr. Green: That is not what I am asking.

Mr. Fournier (Hull): I could not answer from memory. I would have to consult the files. If the hon. member saw all the works that are being done in that province where we are spending a good many millions of dollars, he would have a better understanding. Tenders are generally called and advertised. But hon. members are not getting into the spirit of the space question. Sometimes I think ignorance is bliss.

Mr. Green: The minister should know.

Mr. Fournier (Hull): If I did not know so much about public works, I would not be trying to make out the case that I am. In all sincerity, having in mind that the hon. gentleman wanted explanations, I felt that in those three cases, I should give them as fully as I could; and I have tried to do it in the best way possible.

If there is anything else on the hon. member's mind, perhaps we could save time in the house by his seeing me. We are friendly, and I will give him all the explanations he wishes.

(Translation):

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, the economic problems and the bright prospects in certain parts of both western and eastern Canada have been skilfully outlined by the mover and seconder of the address in reply to the speech from the throne. I congratulate them on their success and greatly rejoice in the praise that they have received in this house.

In the constituency which I have the great honour of representing here, the main concern of civil and religious authorities at the moment is the struggle against unemployment.

Last September, when I took part in the debate, I warned the government that this evil had appeared in Canada, that the people were looking to the fast approaching winter with anxiety and that it was urgent to take the necessary steps to deal with this calamitous possibility. No suggestion was put forward, however, no steps were taken to check the progress of a trend which is fatal to both the material and moral life of our

working classes. People now are troubled and gripped with anxiety. The fear of want has now become a nightmare, and idleness an overwhelming burden.

Days of misfortune are still close at hand and the worker, mindful of the depression of the thirties, has an inner fear of want and of the spectre of misery hovering over himself and his family.

Insecurity is the worker's greatest enemy.

The federal authorities knew this deeply human feeling when they stated in the speech from the throne, in January, 1944:

The post-war objective of our domestic policy is social security and human welfare.

To have ideals and noble principles, or a set of comprehensive plans hidden in a drawer is one thing. Implementing them, passing from the theoretical and blueprint stage to the carrying-out of the plans is another.

But the Hon. C. D. Howe did say, in 1945, when he was Minister of Reconstruction and Supply:

In the interest of members of the three armed forces and of the civilian population, our reconstruction program should ensure a smooth and orderly transition from economic conditions that prevailed during the war to conditions that are consistent with the return of peace, but such as will maintain a high and stable degree of employment and earnings. That is the first item in the government's program. And when I say that we are aiming at a high and stable degree of employment and income, it means nothing short of full employment. The government know that employment and income will be subject to fluctuations of international trade that cannot be fully or immediately overcome; they also know that seasonal fluctuations resulting from our climate and established trade practices can be overcome only by much patience and skill.

It seems that those two qualities have been lacking in our ministers. In view of such clear and perfectly true statements, the policy of our present leaders is surprising, to say the least.

The authorities do not seem to realize that everything has come about as they had foreseen. Yet they make no concrete proposal to alleviate the people's hardships. Whatever improvements or amendments the Unemployment Insurance Act undergoes, this can only bring temporary relief instead of a permanent solution for this chronic evil.

With respect to employment and earnings, government expenditures fall in three categories.

[Mr. Gagnon.]

The minister of reconstruction continued:

First, current expenses for goods and services;

Second, transfer of sums such as pensions, allowances and similar payments;

Third, capital expenditures or public investments for buildings, equipment, roads, airports and other construction or improvement projects of a lasting nature. The last mentioned expenditures can, up to a certain point, be timed to contribute to employment when the need is felt.

The time has come to carry out this program, to help the unemployed, to alleviate the cruel suffering of the low income groups and of the poor.

The government announced in 1945 that it intended to make expenditures likely to provide alternative sources of income in areas affected by the ups and downs of export markets and also to contend with the majority of our economic crises at the very moment they appear rather than after they have spread throughout our whole economic system.

What are we waiting for to translate these fine words into actions? The people of my constituency, who did a wonderful job from the military, industrial and agricultural viewpoints between 1939 and 1945, are particularly affected by the depression that has prevailed for the last six months. For instance, *Le Soleil*, a Liberal newspaper, dealing with the situation in my constituency, wrote on February 10, 1950:

It is not without reason that the Chicoutimi area is applying for public works to assist families affected by unemployment. There are hundreds of them in the erstwhile prosperous centres of Chicoutimi, Arvida and Jonquière.

On the whole, it can be said that thousands of men, women and children are suffering from hunger. One lives poorly on unemployment insurance, and very miserably when he has to rely on family allowances to buy bread.

It is also the duty of the dominion government to help the working people of the Saguenay district. It can be readily seen that they have had to suffer from conditions that prevailed during the transitional period that followed the war. When the needs of new industries exceeded the number of workers that could be found in that farming region, official agencies urged entire families to move out there. They were not told that work would be of a temporary nature only and that their employment depended on the war which Canada was fighting due to fortuitous circumstances. In several cases, travelling expenses were paid to people who agreed to work in industries essential to the war effort. Under the circumstances, I believe the government should look after those families that are on the verge of starvation due to regional unemployment that could have been foreseen.

They could have been indeed, since, in 1945, the minister of reconstruction stated:

There will be some disorganization and unavoidable delay in a few areas where wartime demands

entailed a large concentration of orders and an abnormal increase in population. In these centres more than elsewhere, cancellation of war contracts will require considerable adjustment.

The government, through the department of reconstruction, is working out plans to settle these local difficulties. They will be carried out to the extent deemed necessary and desirable, special attention being given housing projects and public works.

We ask nothing more, Mr. Speaker.

My constituents have long been asking that level crossings be eliminated, especially in the city of Chicoutimi, where they are very dangerous; that the wharves of Grande Baie and Petit Saguenay be repaired; that public buildings and breakwaters be put up since they are more and more urgently required. Such useful and necessary improvements would not only fill serious gaps but, if undertaken immediately, would help to restore economic stability.

The task of those gentlemen who manage the business of this country is to afford every citizen the opportunity to exercise his right to work, since work is the source of national wealth, happiness and prosperity. It behooves them to carry out this urgent obligation. The sight of all these good people, full of health, energy and courage yet condemned to inaction and idleness, is both painful and heartbreaking.

The state, to whose expenses they have contributed by their taxes and their labour, treats them with less kindness than it does foreigners.

Pariahs are still being recruited in Europe and our country is being flooded with seedy aliens at a time when the homeland has nothing to offer to those who have spent themselves on her behalf. This is both outrageous and absurd.

Immigration is one of the causes of the present unemployment. Any argument to the contrary notwithstanding, the 362,451 immigrants who entered Canada from September 1, 1945 to December 31, 1949, have taken jobs that were occupied or should be occupied by Canadians.

If it is true that today about 375,000 people are out of work, it is because of the mass of refugees which has overrun our shores and crowded the labour market. Our workers are now the victims of this overgenerous policy.

As a matter of fact immigration has never, in this country, shown itself to be the wonderful thing that railway and transportation company propaganda claimed.

Every attempt made by Canada to bring in immigrants has ended in failure.

Between 1900 and 1933 we received 4,671,927 immigrants who had come over to settle in Canada. This immigration cost the Canadian taxpayer $80 million. During that time 4,013,523 Canadians emigrated to various parts of the world. Out of 340,000 new arrivals between 1925 and 1927, 282,000 made their way into the United States. If we consider the natural rate of increase we will notice that our population has increased at about the normal rate and that in this connection immigration has played quite a minor role.

Speaking about Canada's experience in this field during the 90-year period from 1851 to 1941, Mr. Herbert Marshall, dominion statistician, stated before the Senate committee in 1946:

Undoubtedly, Canada since 1851 has brought in several million more immigrants than she could absorb. It was a disturbing and costly step but the fact that there was an outlet to the United States prevented the situation from becoming more serious.

He reminded the committee that this outlet is now closed and that therefore:

The present long-term immigration policy of Canada must be as closely related to present needs as possible. If immigrants were admitted as in the past in larger number than we could absorb them, the results would be disastrous.

That statement is clear and definite.

Our workers' minds are filled with gloomy forebodings under the constant threat of lowered standards of living because of the newcomers' willingness to accept any job, at any wages and under any conditions, in order to escape want and starvation.

Immigration must not provide a supply of workers for unscrupulous employers to hire at lower wages in order to increase their profits at the expense of local labour.

Let us remember that during the decade before the first world war, when immigration was flourishing, when vast and choice farm land was available, when huge amounts of capital were flowing into Canada, our capacity of absorption was at its peak.

"The number of immigrants," according to Mr. Marshall, "exceeded this capacity by 37 per cent."

Canada is no longer mainly an agricultural country. As a result of the war, we have

taken a definite and permanent rank amongst industrial nations. We cannot get immigrants in equal numbers and of the same quality as in the past.

"In the present stage of our economic development," according to Mr. Stewart Bates, deputy minister of fisheries, "we do not need more farmers and fishermen; at best we need miners, labourers to engage in heavy work, servants, and so forth."

With all due respect to the minister of immigration.

I therefore suggest that unless we provide adequate shelter and housing to the working class, unless we secure those necessary markets for the sale of our farm products, unless our statutes provide sufficiently remunerative employment for hundreds of thousands of seasonally unemployed, unless our future as a nation is secured, we must approach the grave problem of immigration with extreme care.

Our country will not grow if we import human cattle. It will grow if we protect the family, encourage the raising of children and provide every Canadian with a happy home where he may live in peace.

If Canada can support a larger population than at present, there is no reason why, with our rich heritage, we should have poverty, unemployment and misery in our midst.

No immigration as long as there is unemployment! No favours to any foreigners as long as our own people have not been provided with the daily bread they are fully entitled to! No privileges to refugees as long as the sons of the pioneers of our country have not been treated in the fair and equitable manner to which they are entitled! Positions, salaries, comforts, leisure and security should go to Canadians first. That is what we want and expect, because we are entitled to it. That is what thousands of unemployed from the constituency of Chicoutimi expect from the federal government.

Mr. Leon Balcer (Three Rivers): Mr. Speaker, it gives me real pleasure, to congratulate very sincerely the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne. As a beginner, my tribute may not have the same value as that of the distinguished speakers who spoke before me. It is nevertheless paid with great sincerity. These two members indeed deserve congratulations, for their task was made the more difficult because of the inadequacy of the speech from the throne and the fact that it offered no solution to our national problems.

[Mr. Gagnon.]

Mr. Cote (Verdun-La Salle): This is not so good.

Mr. Courtemanche: Time will tell.

Mr. Balcer: At the beginning of this session, I am duty bound as member for the county of Three Rivers to deal first of all with the unemployment problem which affects so deeply our country and the St. Maurice district in particular.

As the member for Chicoutimi (Mr. Gagnon) stated so well a few moments ago, the number of unemployed is increasing daily. In spite of the optimism shown by the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) the situation has become serious even though the government does not seem to realize it.

The situation must be examined seriously and the government must use all means at its disposal to remove or at least to mitigate the consequences.

My constituency is one of those that really have to suffer from this scourge.

The city of Three Rivers, with a population of fifty thousand, has about five thousand unemployed registered with the local employment office. According to experts there probably are another thousand unemployed who are not registered.

I do not claim that they are all heads of families, but their number is sufficient for the situation to have disastrous effects both on the commercial and the agricultural aspects of our national economy.

To the representations made, and rightly so, by the leader of our party in this connection, the government has answered that unemployment is only local and seasonal. But the whole country is only too well aware of the fact that such a situation prevails from coast to coast and that every province is affected by unemployment, a problem which the government considers as of a purely local nature.

The government seems astonished that our people should be concerned with the fact that there are approximately five hundred thousand jobless in this country.

The Liberal party finds it normal that there should be a certain number of unemployed every winter and that in various sections of the country 5, 10 or 15 per cent of the labour force should be without work. Its attitude was surely different prior to June 27.

The government should do everything humanly possible to remedy that deplorable state of affairs. In our opinion it has been remiss in its duty.

Every party in the house agrees that the scope of the Unemployment Insurance Act should be extended without delay. But such a move will only bring temporary and inadequate relief. What the jobless are requesting at present is the undertaking of public works in order to ensure prosperity in districts where there is unemployment. The large labour organizations of Canada are also pressing for such remedial action.

However the government refuses to undertake those public works, contending that unemployment is of a purely local and temporary character. That, Mr. Speaker, is a further argument in favour of those projects. If unemployment is of a local and temporary character, so are public works by their very nature.

In the city of Three Rivers, where there are at present almost 6,000 unemployed, a large scale program of public works should be carried out in order to ensure the future prosperity of the whole district. Our piers are in poor condition and new sheds are needed if Three Rivers is to remain one of the important seaports of the country.

In Three Rivers also, as in the other cities affected by unemployment, there are slums where large families have to live under conditions which from the health and social standpoint are disgraceful. In the 20th century, such a state of affairs is inexcusable in a country as wealthy as ours.

I honestly believe that there has never been a more auspicious time for the dominion government to sign an agreement with the provincial government and the municipality of Three Rivers in order to eliminate this scourge of society.

Another public project should be undertaken in our district; I refer to the building of a bridge on the St. Lawrence connecting Three Rivers and Ste. Angèle. Between Montreal and Quebec, no bridge crosses this mighty river. A bridge there would serve some ten counties and would help eliminate unemployment in that area for several years to come.

In this connection I should like to quote an editorial from the Three Rivers *Le Nouvelliste* of Saturday, February 25th last. This editorial, headed "Bridge claimed by St. Maurice valley city councils", reads as follows:

Mayors and aldermen of the city councils of the St. Maurice valley, who are to meet in the city of Shawinigan today, will be asked to vote upon a resolution requesting the federal authorities to expedite the building of a bridge over the St. Lawrence, between Three Rivers and the south shore, as a measure to alleviate unemployment, which is growing more and more serious in this area.

We are convinced that this resolution will be unanimously approved by all members present at this second meeting of the municipal authorities of the St. Maurice valley. In fact, the building of a bridge between the two shores of the river would be an excellent way of providing, for several years, regular employment to thousands of persons, especially common labourers, who always suffer most whenever such seasonal unemployment as we are now experiencing occurs. It would most assuredly be a sane and highly beneficial measure which would furnish remunerative employment to thousands of people.

Besides helping ease the unemployment, the building of a bridge over the St. Lawrence is needed to ensure quick and easy communications between St. Maurice river valley, the south shore of the St. Lawrence and the United States. Nowadays there is more talk than ever before of completing the Three Rivers-Megantic highway and of extending it to the American border in the state of Maine. To achieve all these hoped for results, this project requires the bridging of the St. Lawrence.

There has been much talk of this project in the past and federal authorities are well acquainted with it. A few years ago almost every municipality on both shores of the St. Lawrence forwarded resolutions to the responsible authorities requesting that the building of this bridge be proceeded with. We were then at war and it was said that the proposal might be taken up as a post-war public works project.

The war, Mr. Speaker, has been over for five years, and it is time the government did something about this.

I also wish to take this opportunity to request the building of a post office in the municipality of Yamachiche. Yamachiche is today a rural mail distribution centre for several neighbouring parishes and such a building would be very useful.

In another sphere, a field of action in which federal aid would really be appropriate is the building of waterworks in the rural municipalities in my constituency. This would be an excellent means of helping the rural unemployed, while at the same time ensuring a sanitary running water distribution system and adequate protection against fires in the beautiful rural parishes of our county. These rural parishes are already suffering seriously from the loss of our agricultural markets and such federal aid would help to lighten the burden.

I have mentioned but a few of the public works which should be undertaken by the government to help the unemployed in my constituency. I could list many more if the government were ready to undertake them.

To date, only one solution has been found by the government: let the municipalities concerned find work for their unemployed.

This is a very strange way of meeting problems and dodging responsibilities. For the people know very well that of all the taxes collected in Canada 76 per cent find their way into the federal treasury, whereas the provinces and municipalities must be satisfied with the balance, that is 24 per cent.

What can the municipalities do with scarcely 10 per cent of the taxes? It is physically impossible for them to solve the unemployment problem without any assistance from the government which grabs the lion's share of revenues, while refusing to shoulder its responsibilities.

As far as the government is concerned, the present unemployment situation may be local and temporary. All the more reason why every effort should be made to prevent it from spreading any further. The most logical way would be to implement a public works program designed to promote the future prosperity of the communities most affected.

And now, Mr. Speaker, I would like to deal with another timely matter, although along a different line of thought.

It is unfortunate that the speech from the throne has no provision for the purpose of endowing our country with a truly national and a truly Canadian flag. Such a provision would have met the wish of people from every province.

Under the present government, our country seems to suffer from an inferiority complex. Every country in the world has had a flag of its own for centuries. In the government's opinion, Canada is not yet mature enough to have a token of the spirit of our nation.

We have recently been through a world war that brought glory to our troops, but our soldiers, sailors and airmen never knew under what flag they were fighting. Since the war, our Department of External Affairs has opened more than fifty embassies, legations and general consulates throughout the world. Yet our representatives have no flag to hoist on the masts of their embassy. There are in Canada thousands of public buildings erected with funds supplied by our fellow citizens. We are unable to raise on those buildings a flag that would arouse in the minds of our people a true Canadian spirit.

In all our schools, from the smallest rural school to our large universities, devoted teachers are trying hard to instil in our young people a feeling of national pride.

[Mr. Balcer.]

At present, our department of immigration spares no effort to inform thousands of new Canadians about the country and its glorious history.

The government, however, in spite of the majority which its supporters never fail to mention, hesitates to give every Canadian a symbol that would fill them with justifiable pride.

Such an emblem should be free of all colonial ties which would not be suitable to an independent country like ours.

The Canadian flag should be neither English, French nor Ukrainian, but Canadian. Thus it would strengthen national unity which must rest upon the legitimate pride all citizens feel for their great country. The fact that our ancestors were French, English or Polish does not in any way prevent us from being Canadians above all else.

There is at present, a movement which has gained in popularity all over the country. It is called the ligue du drapeau national. It advocates a truly Canadian emblem, in keeping with heraldic requirements and of such a design which, embodying a neatly contrasting maple leaf, would be acceptable to all true Canadians.

I therefore urge the government to make a gesture of national import and adopt this flag without delay.

Mr. Arthur Masse (Kamouraska): It is not without emotion that I rise to speak, since this is the first time I have the honour to make a speech in this house and since my duties have more often brought me into contact with the great outdoors than with so distinguished an audience. However, trusting that the members of the house will bear with me, I already feel much better and I promise to deliver the message of the electors of the beautiful constituency of Kamouraska, a constituency remarkable for political clashes and for the men who have represented it since confederation. Among others, I am pleased to mention the name of one who was a disciple of Sir Wilfrid Laurier, and the father of the Solicitor General of Canada, the Right Hon. Ernest Lapointe whose name, after a quarter of a century, still holds first place in the affections of the Liberals of my constituency.

Mr. Speaker, after having listened to the debates that have taken place here, I can but congratulate you upon the dignity and impartiality with which you carry out the tasks that devolve upon you. You seem to have an innate sense of what is right, proper and reasonable.

Along with all those who have spoken before me, I wish to congratulate both the mover and seconder of the address in reply to the speech from the throne, the hon. members for Kindersley and Villeneuve (Messrs. Larson and Dumas), the latter being like myself a fellow of the surveyors' guild of the province of Quebec and of the association of forestry engineers of the same province. The member for Villeneuve is the embodiment of the character of the rich northwestern Quebec district, which he desires to see grow and prosper; he knows that part of the country well, having travelled throughout its length and breadth.

I will not dwell at any length upon a description of the constituency of Kamouraska, which is well known to the members of this house. I might however remind them that it is bounded on the north by the St. Lawrence river, on the south by the American border, on the east by the constituency of Temiscouata and on the west by Montmagny-L'Islet.

Therefore, it will be crossed by the trans-Canada highway, a project sponsored by this government to which I must convey my congratulations and my thanks.

Kamouraska is an agricultural and lumbering district. I may add that when speaking about agriculture today, one feels the need of including the wooded areas which are inherent and related to agriculture, because in a non-industrial district such as Kamouraska county, agriculture and lumbering must be held in high honour so that one may sustain the other in times when our national economy needs to be stabilized.

Mr. Speaker, I welcomed the Canada Forestry Act which was passed by the government at the last session. It is time we realized that our forests are not inexhaustible, unless we adopt an adequate forestry program.

There is in my constituency a cultural centre, Ste. Anne de la Pocatiere, which spreads its influence through a classical college, an agricultural school, and fishery school, as well as a federal experimental farm. And the beams of light from these cultural lighthouses illuminate all the surrounding region. I fear at the moment that my poor voice is insufficiently eloquent to show all the good that this cultural centre has done in the Quebec district and elsewhere.

May I urge the government of my country to be generous and increase its grants to those institutions so that they may successfully pursue their agricultural research.

It seems to me, Mr. Speaker, that some wooded lots should be added to the federal experimental farm and subjected to continuous study, in order that the forests, which are adjuncts of the farms in my constituency, may be taken care of by our governments in the same way as agriculture.

Allow me to give some figures describing the provincial county of Kamouraska:

	Acres	Per Cent
Wood lands (denuded or semi-denuded acreage included)	517,332	76·18
Farm lands	149,577	22·03
Productive lands	666,899	98·21
Rivers, lakes, etc.	7,816	1·15
Highways, railways, etc.	4,325	0·64
Unproductive lands	12,141	1·79
Total	670,040	100

The economic situation is such that we must use every method which may help develop our natural resources. I am pleased to congratulate the Liberal party upon the social security measures it advocates, for, I am sure, they act as a bulwark against subversive ideas usually nurtured by hardship.

As the representative of an agricultural district, I am pleased to congratulate the government and in particular the Minister of Agriculture (Mr. Gardiner) for his stand in the matter of price support for bacon, cheese, eggs and certain other farm products. By his attitude, he has brought hope to the population of my constituency.

The family allowances and the old age pensions came as a ray of sunshine in many homes. May I point out, in connection with the old age pensions, that the law should be amended or adjusted so that our people may receive a pension at 65, without the means test. I get many letters from my constituents pointing out that a man may have worked all his life to put aside a certain amount of money while his neighbour, who never toiled and who lived an idle life, is the only one eligible for the pension.

I know that legislation cannot please everyone, but I am confident that the government will give due consideration to that state of affairs.

In my opinion, the government should do everything in its power to launch public works, facilitate money transactions and create lasting works.

I said a moment ago that in a county like Kamouraska, forestry is an adjunct of agriculture; I would even say that it is a very useful complement.

This year weather conditions in our district nearly paralysed the lumber industry.

Although trees were felled under ideal conditions, the delays in hauling have temporarily jeopardized operations. May I make a recommendation. Federal and provincial authorities should co-operate in order to bring wooded lands under a forestry program so that all profitable woodlots may be used economically.

There can be no lumbering operations without the necessary means of transportation: railways, highways and the St. Lawrence river. I must congratulate the government on having built and repaired the wharves that lie along the St. Lawrence river in my constituency and from which a large percentage of the pulpwood cut in the Kamouraska forests is shipped. The St. Lawrence river will ever remain a natural channel along which exports and imports will flow. It would therefore be a mistake to neglect this means of transportation for our products.

(Text):

Mr. Speaker, may I have the honour of offering my most sincere congratulations to the Prime Minister (Mr. St. Laurent), on the dignity with which he conducted his 1949 electoral campaign. All the population of Kamouraska is grateful to him, and as long as the Liberal party goes forward on the route which it has taken, and in which he has directed it, the future of our parishes, of our counties, and of our country, Canada, will be assured.

Mr. R. J. Wood (Norquay): Mr. Speaker, it is a pleasure for me to take part in the debate on the address in reply to the speech from the throne. It is the first time I have accepted the privilege of speaking in this chamber. Before proceeding, I wish to extend my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address which we are debating. It is gratifying to find two prominent young men, such as the member for Kindersley and the member for Villeneuve, taking an active part in federal affairs.

I represent the constituency of Norquay in Manitoba, and wish to speak briefly on matters as they affect my constituents. Originally my constituency was known as Selkirk, but in the redistribution of 1948, the town of Selkirk, which is situated in the extreme south end of the old Selkirk constituency, was put in with some of the suburbs of the city of Winnipeg, and that was called Selkirk. The old Selkirk constituency, the one which I now represent, was named Norquay after the Hon. John Norquay, the first Manitoba-born premier of that province.

The forebears of the people of Norquay originated in about twenty-five countries throughout the world, so I can truly say the people of Norquay are a cosmopolitan people. Some of the early settlers came from England, Scotland, Ireland, France, Iceland, Norway, Sweden, Denmark, Germany, the Ukraine, Poland, the United States and some from central Canada.

As far back as 1870, a number of Icelanders came up from North Dakota and settled on the shores of lake Winnipeg and lake Manitoba. Later other groups came in, some from the Dakotas and some direct from Iceland. Two of the first points of settlement by the early Icelanders were Gimli and Hecla. These people were hardy pioneers. Their principal occupation was fishing, although many of them kept livestock and did considerable farming. The finest grazing land to be found in the country is on the east shore of lake Manitoba. The Icelanders are a sober, industrious, intelligent and progressive people.

It was in this Icelandic settlement on the west coast of lake Winnipeg that Vilhjalmur Stefansson, the Arctic explorer and author, was born on November 3, 1879. When he was four years old, his father moved back to North Dakota where Vilhjalmur attended school and university. In 1905, he joined an Arctic expedition on which he got lost. He lived among the Eskimos for eighteen months learning their language and customs. In 1914 he and two companions travelled 600 miles north of Martin Point, Alaska, living on seals and polar bears. He had been given up as dead, but returned to civilization in 1918 after exploring and mapping 100,000 miles of unknown polar territory, thus adding three large and several small islands to the map in the region north of Melville island. Vilhjalmur never gave up his Canadian citizenship. Many other men and women of distinction came out of this settlement of Icelanders in the interlake area of Manitoba, men and women who became prominent in law, medicine, education, arts, politics and sports.

In 1896, when the government of Sir Wilfrid Laurier opened the doors to immigrants of eastern as well as western Europe, one of the first group of immigrants of Ukrainian descent arrived in Canada, on May 24, 1897. Forty families from this group of new Canadians moved out of Winnipeg, going as far as Stonewall by train and from there to the district north of Teulon. Some moved by ox team, and many travelled on foot. These families all settled in the Teulon district, on land which a great many of us at that time considered unfit for agricultural purposes. However, these settlers cleared small patches of

land, and drained the swamps. They erected log houses and barns with thatched roofs. The men folk would work either on the railroads or in the grain fields, and although the first few years of their lives in Canada were gruesome and difficult, each settler had a homestead of 160 acres of land. They were building their homes, and slowly opening up the land for cultivation. Soon these people were erecting new and better houses and barns. Mixed farming was carried on in a majority of cases.

In this settlement today, after fifty years, we find some of the best and most prosperous farmers in the country. These settlers now have modern homes with telephones, and hydroelectricity, large attractive barns of latest design, nicely painted. They all have power machinery, new or almost new automobiles, and good roads leading to all the small urban centres in the community. These people moved to this country from eastern Europe in 1897, with a promise of freedom. I am pleased to say, Mr. Speaker, that they protect, probably more jealously than many of the rest of us, the freedoms that we enjoy in this country. From amongst this settlement of Ukrainian Canadians who came here in 1897, we find men who have reached an important place in the cultural, educational, political and economical fields in Canada. During the two world wars many young men from this settlement flocked to join the army, the navy and air force, along with other young Canadians.

In the constituency of Norquay the people may be classed as primary producers. Their livelihood comes from farming, fishing, fur trapping, lumbering and quarrying. By far the largest percentage are farmers and, in addition to grain, they raise cattle, hogs and poultry. I believe that, although a great deal of wheat is raised, close to 50 per cent of the crops would consist of barley, oats, flax, rye, sweet clover and alfalfa seed. Our supplies of cattle, hogs, lambs, butter, milk, cream, eggs, poultry and vegetables are so abundant in the interlake area that my constituency is sometimes known as the food basket of the city of Winnipeg. Our fresh water fishing industry is one of the largest in Canada, if not the largest, last year the catch of whitefish alone in lake Winnipeg being close to six million pounds. The constituency of Norquay is composed of people whose ancestors originated in twenty-five countries, and in every case each has added something to our citizenship. Persons of no one component or breed can say they alone are Canadians and their neighbours are something else. For this reason we should like to see, without any unnecessary delay, the adoption of a distinctive Canadian flag, one which would be Canadian in every detail.

Being primary producers we depend to a great extent on foreign markets for many of the goods we produce. Markets are probably our No. 1 problem at the present time. We do not want to see enacted any kind of legislation which would disturb or aggravate our foreign markets. It always requires two parties to complete a sale, a purchaser and a seller. In case trade falls off, the fault may rest on the shoulders of either or both. We believe in multilateral trade. We believe that bilateral trading would hamper trade with our free markets. We believe that no country should be given a preference, thus discriminating against other countries. We believe that tariffs of every description should be pared down to the very bone or cancelled. We should like to see an end to what is even worse than tariffs, namely administrative orders which prevent the free movement of our goods to where they may be wanted.

As I understand, tariffs were originally put on in order to encourage and protect our Canadian industries in their infancy. Most of these industries, I might say, are located in what is called central Canada. They have been protected for over fifty years now by tariffs of every conceivable type; and in practically every instance these industries, in pricing their goods, take full advantage of the tariff structure. Although we are obliged to sell our surplus products in foreign markets, and sometimes over the top of foreign import tariffs, we the consumers of the western prairie provinces, like the consumers of the maritime provinces, when we buy, are obliged to pay higher prices on account of the wall of tariff protection, which our Canadian industry enjoys, and, in some cases, on account of administrative orders.

As I said before, markets are probably our No. 1 problem. Hon. members to the left are saying that we have lost and are losing markets. That may be true. Whose fault is it? Hon. members of the C.C.F. socialists predicted a depression four years ago and are still predicting it; and I believe I am right, Mr. Speaker, when I say they appear to be disappointed. I am sure, if the people of this country were called upon to elect a government which would provide or secure markets for our surplus products, they would not consider a socialist government. As for the Conservatives, we must remember that it was a Conservative government that first introduced tariffs into Canada. Each successive Conservative government, when elected, increased the tariff wall all along the line.

Mr. Higgins: What evidence have you of that?

Mr. Wood: In 1930 the Conservative government of R. B. Bennett climaxed all other Conservative governments by increasing the tariff wall to a height never experienced before or since in Canada. Although I would not say that they were responsible for the depression in the hungry thirties, I will say that their tariff policies certainly intensified the depression in this country, as they tended to make other countries reciprocate with tariffs and administrative orders against our surplus goods finding a market.

In 1934, when the United States congress passed the reciprocity treaty, the Bennett government failed to take advantage of it, even although we had surplus goods piled up all over the country. I remember that in 1934 we were selling cattle in the Winnipeg stockyards at a price of from half a cent to two cents a pound. In 1934 in the Winnipeg stockyards you could buy a 1,000-pound cow for $5; and I saw carloads and carloads, which came in from western Canada to the stockyards to be processed, and were sold for that price. Yet at the same time people in western Europe were paying twenty-five cents a pound for horse meat and could not get enough to eat. That is what happens when a government tries to make a country self-sufficient. But in 1936, after the King government took office, Mr. King entered into a reciprocal trade agreement with the late Mr. Roosevelt, then president of the United States. One of the items the United States agreed to take from Canada was 250,000 head of cattle per year, in quarterly quotas of 62,500, at a reduced tariff of from three cents to two cents a pound.

Mr. Warren: You are right.

Mr. Wood: As a result of that agreement, our cattle immediately advanced about four cents a pound while the quotas were being filled. In other words, instead of selling our cattle at from half a cent to two cents a pound, we were getting five and six cents a pound. That was in 1936; and ever since then, year by year, our cattle have been going up in price until today our best steers are bringing twenty-four cents a pound in the Winnipeg stockyards. Our cattle prices never went back since 1936, and we still have a Liberal government.

I want to commend this government and the ministers responsible for our trade agreements during the past fifteen years. I do not believe we are going to have a depression, at any rate while we have a Liberal government. Certainly we may take lower prices for many of our products; but as long as we have a government that will endeavour to find markets for our surplus products, the likelihood of a depression is remote.

Mr. Higgins: They had better get busy now.

Mr. Wood: Our farmers were never better off than they are today.

I should like to commend this government for having established trade missions in many countries throughout the world for the purpose of seeking markets. I should like to commend this government on its attitude towards trade with our neighbours and best customers, the United States. We should go all-out and use every means in our power to increase our trade with the United States. In 1949 the United States took over fifty per cent of all our exports. We must give the United States every consideration in our trade relations, and under no circumstances must we discriminate against her.

I should like to commend this government on the floor price set on eggs. I do not believe in a floor price set too high on any goods, because that would tend to allow stocks to pile up in this country. It is not a floor price which will solve the egg situation; it is a market. The same is true with regard to all our surplus products.

Any government which, through its lack of effort or through restricted measures, fails to provide markets for the surplus primary products of this country would find that a floor would not hold for long. Let us endeavour, by every means possible, to create a multilateral trade system among the nations of the world, to operate with some kind of an international banking system. Let us reduce or wipe away tariffs and trade blocs. There are many countries of the world which would like to buy our surplus products.

I want to commend this government for its efforts toward the construction of a trans-Canada highway. This is a project that will be welcomed by every Canadian. I also want to commend this government on a bill which was introduced and passed about six years ago, known as the Farm Improvement Loans Act. Prior to the passing of this bill, in order to secure money to finance the purchase of farm machinery, trucks, farm buildings, building repairs, drainage and fencing, farmers were obliged to pay excessive interest rates ranging from twelve per cent to fifteen per cent, made up of interest, appreciation and insurance. But now this money costs the farmers only five per cent through the Farm Improvement Loans Act. By this bill the western farmers have saved millions of dollars in interest charges; and although the act has been operating now for

nearly six years, I understand the government guarantee has cost the federal treasury nothing.

Early pioneers came to this country knowing it to be a land of freedom. They prided themselves on their individual dignity and freedom. But there are amongst us today men who would destroy that freedom if they had the opportunity to set up a state control of our economy. We must guard well our traditional freedom.

Just forty miles from Winnipeg, on the west shore of lake Winnipeg, we have summer resorts at Sans Souci, Matlock, Whytewold, Ponemah, Winnipeg Beach, Sandy Hook and Gimli, each with its lovely sand beach, well shaded shores with maples, elms and evergreens. I might say at Winnipeg Beach alone during the summer vacation about 40,000 people come from many parts of Canada and the central states to spend their holidays.

(Translation):

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I am deeply honoured to have the privilege of speaking at this second session of the twenty-first parliament. I am also pleased to follow tradition, which requires that congratulations be extended to the mover (Mr. Larson) of the address in reply to the speech from the throne and also to the member who seconded the motion (Mr. Dumas). I cannot express myself as eloquently as those who have spoken before me, but my congratulations are none the less sincere.

I will take advantage of the opportunity afforded by the debate on the address to point out some of the needs of my constituency and to make some comments on the economic conditions in this country.

There is one part of my constituency whose needs I would like to point out. That part of Montmorency constituency that extends from St. Tite des Caps to Chateau Richer is made up of a predominantly rural population.

One of the better known parishes of the constituency is that of Ste. Anne de Beaupre. This parish has become an international shrine, and as it is visited by more than a million visitors every year, the problem of traffic and parking in that municipality is serious. I have often been requested to intercede with the federal government in order to obtain either a grant or the carrying out of some project which would enable the priests who are in charge of the church to extend their property so as to allow those visitors to park their automobiles. I therefore ask the federal government to give these requests most careful attention.

I would also like to call the government's attention to the unemployment situation which has developed in that part of my constituency.

I wish to talk of a problem which affects the whole of my constituency, that of the Quebec-Murray Bay railroad. That railroad was constructed during Mr. Forget's tenure of office as federal member for the riding. I know of no better way of pointing out the necessity for improvements on that road than to call your attention to the fact that it now takes four hours to travel ninety miles over it.

I shall probably have occasion to deal with this at some more opportune time.

I will not pretend that my comments will offer a solution to all the problems now facing the government. However, even a cursory examination of the economic situation of this country will show that if we are to maintain our national economy we must necessarily export a certain amount of our surplus goods.

Should there be a drop in our exports, it is only natural that it would be followed by a slowing down of business in general. When Great Britain cut down her purchases in Canada, either of newsprint or of agricultural products, it was quite natural that we should have felt some uneasiness at the thought of the problems with which we are now faced.

However, I do not share the opinion propounded by the members of the opposition and by certain newspapers that would have us believe that we are now in the throes of a serious economic depression.

I know that there is unemployment in some parts of the country. There is some in my constituency but I trust that the problem will soon be solved. I have full confidence in our young country; perhaps the fact that I am still young accounts for my optimism. I believe, however, that the situation will right itself and that we will return to a normal if not prosperous state of affairs.

I am also delighted to learn that new markets have been opened in Spain and Latin America. I do not approve the opposition's proposal to sell our export goods for sterling. That would only mean handing over thousands of dollars to another country in order to support a socialist regime that seems to be on its last legs. To attempt this costly experiment might result in our own downfall.

We have only scratched the surface of our national wealth. I feel sure the operation of Labrador's iron mines will prove beneficial not only to the province of Quebec but to the whole of Canada.

I was happy to discover, when the estimates were brought down, that the government had been kind enough to grant the requests I had made.

There is yet another question to which I would like to call the government's attention, that of pensions for incapacitated persons.

Every week I receive several letters from people who are, in a way, handicapped by some illness or accident that makes them unable to earn their living without the help of others. I realize that the government has spent large amounts on social services but I believe that serious consideration should be given to this matter.

I have a great deal of sympathy for people who seem totally incapable of fending for themselves and of providing for their own needs. It is absolutely necessary that the state help these people. The electors I have the honour to represent in this house would deeply appreciate legislation that would help those invalids.

I was also pleased to note that the government has introduced a measure dealing with unemployment insurance. In my constituency there are many woodsmen who have already started receiving benefits and I believe that will do a great deal to help my fellow citizens.

There is also another class of people that the government has not forgotten—I refer to those who are engaged in sailing on the St. Lawrence river. However, a considerable number of those people who work on ships during the summer find themselves out of a job when winter comes along. Since this class of workers has no right to unemployment insurance benefits it seems to me that the Unemployment Insurance Act should be amended. I would like the government to consider the plight of these people and to enable them to benefit also from the provisions of the act.

Mr. Speaker, I could go on, since there are in my constituency some other urgent problems. I hope that another opportunity will be afforded me of setting forth, in this house, the point of view of those whom I have the honour of representing here.

(Text):

On motion of Mr. Knowles the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will go into supply, and call the first item for the Department of External Affairs. I understand we will spend the day on the general discussion of the first item. If that is completed we will ask to revert to the motion under government notices of motion, to refer the external affairs votes to the committee on external affairs. Then, if time is left, we will revert to the debate in reply to the speech from the throne.

I should add that from eight to nine is the hour for private and public bills.

Motion agreed to and the house adjourned at 10.45 p.m.

HOUSE OF COMMONS

Friday, March 3, 1950

The house met at three o'clock.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 13, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

Some hon. Members: Explain.

Mr. Knowles: The purpose of this bill is to transfer from parliament to the Exchequer Court of Canada jurisdiction in respect of divorce cases on the part of persons residing in the two provinces in Canada in which there are no divorce courts. The jurisdiction as to alimony, care of children and other matrimonial causes, will remain in the provincial courts of those two provinces. This bill does not change the grounds for divorce. It does not establish divorce courts in Quebec or Newfoundland, nor does it make available to persons residing in those provinces anything not now available to them. It merely transfers the hearing of divorce petitions of persons residing in those two provinces from parliament to the Exchequer Court of Canada.

Motion agreed to and bill read the first time.

PUBLIC LANDS GRANTS ACT

AMENDMENTS WITH RESPECT TO CONVEYANCE, LEASES, DEFENCE LANDS, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the first reading of Bill No. 12 (from the Senate) respecting grants of public lands.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS

EMPLOYEES' RATES OF PAY, ETC.—QUESTION AS TO MEETING OF INTERNAL ECONOMY COMMISSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question, Mr. Speaker, with regard to the internal economy commission. I believe Your Honour is chairman of that commission, but since questions cannot be put to you on the floor of the house, I should like to put my question to the Minister of Public Works. Has the internal economy commission had an opportunity to meet for the purpose of considering rates of pay and other matters pertaining to House of Commons employees? If not, can a meeting be held soon? If a meeting has been held, will an announcement be made as to any decisions reached?

Hon. Alphonse Fournier (Minister of Public Works): As to the first question, the answer is yes. The commission sat on Wednesday afternoon, March 1. The second question is answered by the answer to the first one. The answer to the last question is that I hope so, but I would not want to give a final answer before consulting the other members of the commission.

PIT PROPS

INQUIRY AS TO ARRANGEMENTS FOR OVERSEAS MARKETS

On the orders of the day:

Mr. A. J. Brooks (Royal): I had intended to direct a question to the Minister of Trade and Commerce, arising out of the loss of markets for pit props in Great Britain. The minister is not here, but I left notice of this question with his parliamentary assistant. The question is this. Was the minister able to make any arrangements, during his recent visit to Europe, for the sale of pit props to Great Britain or any other country, and is he in a position to give any information with regard to present or future markets for this woods product?

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I think the question is one which should be answered by the minister himself. Unfortunately he is not available in the house today. Will the hon. member be kind enough to allow it to stand over until Monday?

Mr. Brooks: Yes.

AERO TIMBER PRODUCTS

REQUEST FOR INFORMATION AS TO RECORDS OF FORMER CROWN COMPANY

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to ask the Prime Minister if at some time in the future he will give us the name of the

government department that has possession of the records of Aero Timber Products Limited, a former crown company that went out of business in 1945.

Right Hon. L. S. St. Laurent (Prime Minister): I will have the matter looked up and will try to make the information available to the hon. member.

COAL

QUESTION AS TO MEASURES TO RELIEVE SHORTAGE IN ONTARIO

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Mines and Resources or to the Minister of Transport. In view of the fact that there is a desperate shortage of coal, briquettes, etc., in Canada, is the government doing anything to facilitate the production and transportation of coal to the cities and towns in Ontario whose people are on ration at the present time?

Mr. Cruickshank: We are trying to get you gas.

Right Hon. L. S. St. Laurent (Prime Minister): I understand that a similar question was asked some days ago, and the Minister of Transport (Mr. Chevrier) answered that the railways were doing their best to give priority to the localities in which, from their surveys, there was the greatest possibility of shortage of coal.

Mr. Fraser: The situation has become much more serious in the last week, as a result of this cold weather.

Mr. St. Laurent: And the coal miners in the United States seem to have become much more stubborn.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

64. Departmental administration, $2,378,880.

Hon. L. B. Pearson (Secretary of State for External Affairs): I welcome, Mr. Speaker, the opportunity that this occasion affords of making the customary statement on international affairs generally, in order to initiate a debate on the subject. I welcome the opportunity because it is, as all hon. members will agree, a matter of the highest importance that the people of this country, whose future has been and will be so deeply affected by international developments, should be kept as fully informed as possible as to the general policy now being pursued by their government in this field.

[Mr. Low.]

The best way of keeping our people so informed, apart from discussions such as we are having today and discussions before our committee on external affairs, is of course to make as many facts as possible available to them in as accessible a form as possible. That is being done in a number of ways by the department over which I have the honour to preside. On Tuesday last, for instance, I tabled in the house the annual report of the Department of External Affairs, which gives a brief but I think comprehensive review of the activities of the department in the calendar year 1949, and makes it unnecessary for me to give at this time a detailed review of those activities.

The department also publishes annually a report entitled "Canada and the United Nations." That report for 1949 will be tabled shortly. The volume contains not only a review of the activities of the United Nations and Canadian participation in them, but also includes a broad selection of relevant documents. It will show, if anything is needed to show, Mr. Chairman, how seriously we take our membership in the United Nations. I will also show the contribution we are trying to make to the organization which still remains, and will remain, the foundation of our international policy, and in the long run our best hope for peace.

The department also publishes a monthly bulletin entitled "External Affairs", which is circulated pretty widely, and also texts of treaties and publications on international affairs generally, as well as reference papers and material of that kind. Thus we are trying to give the people of the country, as well as members of this house, as much information on external affairs as we can. But it may be said—in fact it has been said on previous occasions in this house—that this is merely information about what we have done; that we should give more information to the house and to the public about what we are doing, what we propose to do, and why. Up to a point, of course, Mr. Chairman, I agree with that. At the same time, as I have tried to point out before, you cannot effectively carry on delicate diplomatic negotiations by giving a sort of running account of the details of those negotiations as they are going on. We should of course make quite clear in advance the principles which guide us in these discussions. We should give the details of the negotiations when we can, and we should always give the result of these negotiations to the public. I think we do try to do that, Mr. Chairman.

In my review today I will not devote much of my time, indeed possibly any of my time, to commonwealth affairs—not because I do not appreciate their importance, but because

I attempted to discuss them in relation to the commonwealth conference at Colombo. Nor do I intend to devote very much of my time to Far Eastern affairs, for the same reason. But I cannot let this occasion pass without answering, or attempting to answer, one or two questions which were asked me last night by the hon. member for Vancouver-Quadra (Mr. Green), which deal with the Far East.

In respect to one of these questions I think the hon. member misunderstood what I tried to say last week in the discussion on this subject. Last night in referring to the commonwealth consultative committee, he said that I had made no statement as to whether or not we would join that committee. But I hoped that I had made it clear the other day, Mr. Chairman, that if and when an invitation comes from the Australian government—I think we have not received it yet—to join the meeting in Canberra, which will be devoted to this subject, we shall be very glad indeed to accept it and be represented at the meeting or on the committee if one is set up at that time.

The hon. member was also critical of our lack of leadership in regard to a Pacific pact. I attempted to deal with that matter in my statement last November 16 on the external affairs estimates. I pointed out at that time that the situation in the Pacific in regard to a regional pact of this kind was certainly not the same as the situation in the Atlantic, which had made desirable and necessary, the signing of the North Atlantic pact. My view in that regard was not weakened, but indeed was confirmed by the recent commonwealth meeting at Colombo. If we had taken the lead in regard to this matter—we should not of course hesitate to take leadership when the occasion demands it—we would have found that at least two of the countries most directly concerned with regional security in the Pacific, namely, the United Kingdom and India, would not have been able to support our lead, or at this time support the idea of a Pacific regional pact. Also we knew then, as we know now, that the United States would not be able to participate at this time in negotiations leading up to that kind of pact. One reason for that attitude on the part of the United States and the United Kingdom is no doubt the fact that a conference for this purpose, Mr. Chairman, would certainly have to include China and the U.S.S.R., if they were willing to accept the invitation to participate. It would be somewhat embarrassing to issue an invitation to China at this moment to a meeting of that kind. If the invitation were being issued by the government of the United Kingdom it might be addressed to a different post office than that to which it would be directed if it were to be issued by the government of the United States. And if it were being issued by the government of Canada it might be addressed to a different post office in the future than that to which it would be directed if we issued the invitation now. Therefore there are obviously practical difficulties in the way of calling a Pacific conference to draw up a Pacific regional pact.

When I say that, I do not wish to have it understood that the government is opposed to the idea of a regional pact for the Pacific. If and when the circumstances should make it desirable, we would give that matter the same kind of consideration as we gave to the idea of a North Atlantic pact.

In a review of international affairs, no matter how brief, it is not possible to ignore completely international economic questions, Mr. Chairman. Indeed, in this field it is not easy to know where political questions end and economic ones begin. The importance of sound economic and social policies in our relation to communism and to the communist states is obvious, because our strongest long-run defence against communism is wise and progressive social and economic policies. The same importance attaches to the economic relationships between the free democratic states. Economic co-operation along the right lines can and should bring us closer together. The lack of such co-operation can divide friendly states. There are signs now that, if we are not careful, our unity and ability to work together may be weakened by international economic difficulties.

If, for instance, we let the free world freeze into dollar and sterling areas, between which trade relations and commercial intercourse become difficult, that might ultimately prejudice political relationships. And so we are becoming, all of us, I think, more conscious than ever of these international economic difficulties as we realize that the post-war dollar assistance program may run out before the countries which have been assisted have recovered from the destruction and the dislocations of the war to a point where they can balance by their own efforts their trade with more fortunate countries such as Canada at a satisfactory level. What should be done in these circumstances by all of the countries concerned, and not merely by our own, is probably the most important question in the whole field of international economic affairs today. My hon. friends opposite keep emphasizing that economic and trade difficulties are increasing. They criticize the government because we have not done more to remove them—especially because we have done so little, as they put it, to maintain and develop trade between Canada and the sterling area.

I think, Mr. Chairman, that they minimize the external problems which have caused these difficulties and maximize the alleged deficiencies of the government, its sins of omission and commission in dealing with them. Yet, while inveighing against the government, what remedy do they suggest? At the present time, as I understand it, their principal proposal is a commonwealth economic conference, as a possible cure for trade ills from which we may be suffering.

Well, we have had a good many commonwealth meetings during the last couple of years, and many of them—indeed most of them—have concerned trade. But hon. members opposite say that these meetings have been merely the concern of peregrinating, perambulating representatives, acting on their own by sporadic individual efforts. But what we want now, they go on to say, is a full-dress, large-scale commonwealth economic conference of the 1932 variety, with everybody there, to discuss everything—not merely the minister for external affairs in Ceylon drinking tea, but everybody, in London, selling food—and, according to the hon. member for Kamloops (Mr. Fulton), even discussing questions of immigration and emigration. In short, bigger and better conferences, where decisions will be taken on the spot, possibly by a sort of imperial super-cabinet conference.

Well, I suggest that our way is better, where, in addition to these formal conferences —and they are of course desirable at times— ministers concerned, after full discussion in cabinet, where policy is agreed upon, meet, whenever occasion requires it, their opposite numbers in London or elsewhere to try to solve particular problems by arrangements which are then ratified by the respective governments. And in between such meetings, periodic conferences are held of the standing Anglo-Canadian trade committee, which consists of high officials. Of course there is also contact maintained every day in other ways between commonwealth governments on these questions.

Let us look at the record in this respect. In the last two years Canada has participated in four general international economic conferences, five commonwealth economic and trade meetings, three tripartite trade discussions in which the United Kingdom was involved, as well as four international trade and economic meetings called for various purposes.

I suggest that the remedy is not through conferences, though they can help very greatly at times. Nor is the remedy, I suggest, through the waving of a magic wand over inconvertibility, converting it into convertibility. The remedy, which is easier to prescribe than to take, is through the acceptance, not merely by Canada, but by all free democratic countries, of sound financial and trading policy, by sterling countries avoiding the creation of high-cost restrictive and discriminatory areas, and by dollar countries on the other hand adopting policies which will permit the sterling debtor countries to export more goods and services, thereby making it possible for these countries to balance their international trade by their own efforts and at a high level.

We think that Canadian policies have been designed in the international economic field to that end, and are becoming increasingly effective for that purpose. Our imports, for instance, were 92 per cent of our exports in 1949, an increase of six per cent over 1948. The imports of the United States of America for eleven months of 1949 were 55 per cent of exports, a decrease of six per cent as compared with 1948.

Having mentioned the United States of America I should like now to go on for a few moments to deal briefly with our relations with that country. Those relations of course continue to be friendly, and are conducted with that good will and mutual understanding which makes it possible to find mutually satisfactory solutions to nearly all the problems that appear—and a good many do appear between us.

Sometimes the government is charged with not taking action which would otherwise be desirable because, if we did, it would provoke the United States. Well, Mr. Speaker, it is of course only common sense and good diplomacy not to provoke anyone unnecessarily, especially a good friend and great neighbour. Provocation is not a good basis for diplomacy, either domestic or international. Therefore before we take action which has international repercussions we try to study the effect of that action on our friends, as I hope they do in respect of action which affects us. But I can assure the house that when action has to be taken in a certain way—that is, international action—to advance Canada's best interests, we take it. If we do not put a chip on our shoulders, as some ardent spirits would have us do, to prove how independent we are, this does not mean that our policies are decided by any other nation. They are not—though naturally in this interdependent world they cannot escape being influenced by the policies of others.

In the review of external affairs which I made in the house on November 16 I mentioned certain questions which had arisen in

our relationships with the United States, questions which were in need of being solved in that co-operative spirit which characterizes our relations. I am glad to report that progress has been made in the solution of these matters.

Among our problems at that time were certain difficulties which we were experiencing in the implementation of the bilateral air agreement which was signed on June 4, 1949. Chief amongst these difficulties was the inability of the United States authorities to issue a licence to Trans-Canada Air Lines to operate the Montreal-New York route, one of the new routes granted to Canada in this bilateral agreement. The United States authorities were enjoined from granting this licence because of legal proceedings taken in United States courts by Colonial Air Lines challenging the legality of this air agreement. In the meantime the Canadian aeronautic licensing authorities charged Colonial Air Lines with failure to live up to obligations assumed in its own Canadian licence which was granted by virtue of the bilateral agreement.

Subsequently, as hon. members know, discussions were held in Ottawa, and it was agreed that some of the new rights which Canada had granted the United States under the agreement would be held in abeyance pending the outcome of these legal proceedings in the courts of the United States. These difficulties have now been removed. On February 5 Colonial Air Lines suspended its legal proceedings, and the United States authorities are now completing procedural steps which will enable them to license Trans-Canada Air Lines to operate between Montreal and New York; and all the new rights granted to Canada under the 1949 agreement are expected to come into full effect within the next few weeks.

I also described last November the difficulty which had been experienced at the border by some Canadians wishing to visit the United States. Since then officials of my department, together with the director of immigration, met with their opposite numbers in the United States to discuss these border difficulties which were causing some concern throughout Canada. At this discussion, which was held I think on December 15 last, the full range of problems involved was examined in great detail and conclusions were reached which will substantially lessen the number of unfortunate incidents in the future.

As I told the house a few days ago, we have signed a new treaty with the United States government covering the diversion of water at Niagara Falls. When I tabled that treaty I said, and I should like to emphasize it now, that we are not any the less interested in the St. Lawrence waterway development because we have the Niagara problem, as we think, satisfactorily solved. The President of the United States, in his annual message on the state of the union on January 3 last, recommended that approval be given at the present session of congress to the St. Lawrence agreement. It is still our strong hope that congress may soon be able to give its consideration to this important project.

When I addressed the house in November last I think I stated that negotiations were in progress with the United States government regarding the rights and privileges enjoyed by United States forces in Newfoundland. Those discussions are continuing satisfactorily, but, as a great many difficult and complicated questions are involved, they have not yet reached conclusion.

If I may now leave the United States I should like to say a few words about the situation in Europe.

In the free and democratic countries of Europe there has been a continuing revival of confidence and of stability since I last made a report to the house on this matter. I think this is due in very large measure to the reassurance which the North Atlantic treaty has brought and will bring increasingly as the delivery of arms and equipment goes forward. It is due also to the stimulus of economic aid from North America and to the revival of national energy and national spirit in those countries. They are still recovering from the shocks of war and of enemy occupation, but for a full return to strength there is one essential condition—there must be a sense of security.

Of course it is in the interests of the Kremlin to prevent those conditions from being fulfilled. Communist propaganda in those countries seeks to turn away men's thoughts from constructive activities and to create and maintain an atmosphere of fear and pessimism. Through exploiting the fear of war, the communists, under orders from Moscow, then launch "peace offensives" designed to weaken those essential defensive measures which their own aggressive policies make necessary—the same kind of peace offensive which is now being carried on in this country by the same kind of leadership, and for the same purpose. On the European continent, whose inhabitants have vividly in their memories the full horrors of war, it is not hard to find soil in which to plant these propaganda seeds, but they fortunately have been prevented from growing in recent months through the growth of confidence in the countries concerned. We can, I think, be

reasonably sure that these sinister plans will not have any success in our own country, even though they may deceive and confuse some sincere and well-intentioned people.

Communist plans in Europe have also to some extent been frustrated by their own crude and violent tactics. The workers, even the communist workers, are getting tired of being forced into political strikes and sabotage by a little group of Moscow-appointed leaders who always put the directive of the Kremlin before the interests of their own country and of the working class. While the communists are still strong in some of these western European countries, I think their game is becoming more and more apparent to the people. There are indications of this tendency in the defeat of the communists in the elections in Finland, and in the complete elimination of the communist candidates in the recent election in the United Kingdom.

No better evidence, in fact, could be found of the greater strength of the democratic forces in the western world than the present position of the communist party in countries which have free elections. From the high point of their influence in the period immediately following the war, these parties have rapidly diminished in numbers and in strength. This change was not brought about by suppression or persecution. The communists have been left to the judgment of the electors, and only when they have taken illegal action to betray their country, or to disturb the peace, have they suffered penalties under the law. This confidence in the free processes of democracy has, I think, been justified.

In the United Kingdom, for instance, during the recent election the communists were allowed to participate fully in the campaign. They were given free time on the government radio. They were given every opportunity to win votes. They made every kind of insidious appeal for such votes, from demanding higher wages for all, immediately, to pandering to the lowest form of anti-American prejudice. But what happened? By the will of the electors no single communist, nor communist sympathizer, has been returned to the British House of Commons. They polled an infinitesimal proportion of the vote and the great majority of them lost their deposits. Here is good evidence that in the face of outside danger, people in the free world can close their ranks.

On the other hand, in the dark spaces behind the iron curtain conditions get worse and the Soviet government is attempting to seal off every possible contact between the unfortunate peoples of those satellite countries and the outer free world. Not the smallest glimmer of western light is now allowed to penetrate. Countries like Czechoslovakia, with its old parliamentary traditions, its great cultural heritage, its long-standing connections with the west, are to be put into permanent quarantine against the infection of freedom. So great is the nervousness of the Kremlin and those who take the Kremlin's orders in Prague, that even the normal social friendliness of two junior members of our legation staff towards their acquaintances in that city is regarded as dangerous and subversive. Charges have to be trumped up against them so that they can be expelled from the country. Against action of that kind we have, of course, means of retaliation which we shall certainly not hesitate to use against any country which invites and deserves it.

This communist policy of isolation and expulsion is revealing. It throws a sombre light on the fear which haunts the rulers of the Soviet union that the countries which they have drawn or forced into their orbit, realizing that their national interests are being sacrificed to Moscow, may react as Yugoslavia has already reacted. Hence the repeated purges of the personnel of these governments. Hence the series of monstrous trials and forced confessions and savage sentences in Budapest, Sofia, Bucharest, Warsaw and Prague. Hence the accusations of espionage and plotting against western diplomatic missions and individual western nationals in these countries. One must feel the deepest sympathy for the peoples of Soviet satellite countries whose governments are being compelled by Moscow to carry out policies so plainly contrary to their national interests. But I suggest the lesson of these events is not going unnoticed on this side of the iron curtain, where many waverers in many countries will hesitate before committing themselves to communism when they have such abundant evidence that it is being used as a facade for the new Russian imperialism.

In combating these dangers one of our greatest sources of strength remains the United Nations, where they can be publicly exposed, and the North Atlantic treaty, under which we can defend ourselves collectively against the aggression which might result from them. This treaty, I am glad to say—and the Minister of National Defence may and probably will have more to say about this matter when his estimates are introduced—is now a going concern, though very much remains to be done.

Since the last session of parliament the defence and military committees have met in Paris to approve programs of the military production and supply board and the defence financial and economic committee, as well as the broad principles on which defence planning by the various regional groups can be

carried on. Since the meetings in Paris, problems of military production and supply and financial questions concerned with the implementation of the North Atlantic treaty have been under investigation by the appropriate committees, and planning has now begun in the various regional groups. We are getting down to the detailed problems of working out an effective system of collective defence for the north Atlantic region.

As planning for military production and supply under the North Atlantic organization gets under way—and it is now under way—account should of course be taken of the needs of specialization in production and of the availability of productive capacity in all the north Atlantic nations. Means must also be found for overcoming existing difficulties which impede the transfer of equipment and supplies among the north Atlantic nations so as to permit the maximum use of their productive capacities. Solution of these difficulties is necessary if full advantage is to be taken, for instance, of Canada's present and potential productive capacity by the north Atlantic countries. The responsibilities of membership under the North Atlantic treaty cannot of course be discharged merely by setting up committees or staffs of experts for research and planning, however useful this may be. Such responsibilities can only be fulfilled by the governments and the peoples concerned.

Under the mutual aid and self-help articles of the treaty we in Canada are committed to participation in this collective enterprise in the manner in which such participation will be most effective. But until investigation of the needs of our partners is more complete, and until military planning in detail is further advanced, it would be premature, I suggest, to predict the appropriate form and scale of our participation. It will of course have to be related to the capacities and requirements of our economy and the economies of all the other signatories.

I should like to conclude the brief mention I have made of this particular subject by quoting a paragraph from a very significant book entitled "Modern Arms and Free Men", by Dr. Vannevar Bush, in which he said:

> The race—

He is referring to the race for security, indeed the race for survival.

> —can be lost, as all long races that depend upon man's endurance can be lost, either by doing too little or by trying to do too much too soon.

He went on to say:

> It will profit us little to have stocks of bombs and planes and then to bring our governmental and industrial systems crashing down about our ears. This is a long, hard race we are embarked upon. We had better settle into harness for the long pull and mark well how we use our resources.

The world situation has been changed, not only by the developments which I have attempted to sketch briefly, but also by the realization that the perils of the atomic age will increase through the manufacture of atomic weapons of ever-increasing destructiveness, culminating, if it is culmination, in the so-called H bomb. On this question—and reference has already been made to it in the house during the present session—I suggest that our policy as to atomic weapons should be twofold. On the one hand, we of the free world must continue to strive by every means possible—and I hope to elaborate on this somewhat in a moment—for that kind of international agreement for the effective control of atomic energy that will give us some real chance of security against the horrible possibility of atomic warfare. On the other hand, so long as the danger of such warfare remains, we together with friendly states with whom we can co-operate must do our best to see that we do not lag behind in the development of knowledge and skill in the field of atomic energy. It is important also to convince, if that is possible, those with whom we find it difficult to co-operate that atomic weapons will never be used by us for any aggressive purpose.

The hon. member for Saskatoon (Mr. Knight) said the other night, in what I considered to be a very thoughtful speech:

> Somehow or other the people of the world will have to get together and solve this problem.

He was referring to the atomic problem. He also said in the same speech: "We must learn somehow or other to break that cycle" which is preventing results. "Somehow or other"—but how? He asked for some reassurance on these matters which would be a renewal of faith, and he was disappointed that I had not been able to give him such reassurance in my earlier statement. To be perfectly frank, reassurance is not easy in the light of present circumstances, but I know he can be assured, as can all other hon. members of the house, that so far as the government is concerned we will do our best and not lag behind in the search for a solution to this problem.

When a man finds himself struggling against a blizzard, a moment comes when because of fatigue and despair he longs to lie down, relax and die. There are times, Mr. Chairman, when we must all feel as though, in the international field, we were pushing through a bitter and blinding blizzard. But it would be fatal to yield to the temptation merely to sit it out, just as it would be fatal to yield to the temptation to panic and frantically rush in new directions without any knowledge of where they may lead. So far as Canada is concerned—and I

am sure we all agree on this—I know there will never be any lack of willingness to search for a solution to this and the other problems which divide us from the communist world.

None of these problems is insoluble. Atomic energy need not destroy us; it can open for us a great age of human progress. Nor is there anything insuperable in the questions which have arisen about the future of Germany and Japan. Between the communist and non-communist worlds some *modus vivendi*, some agreement to live and let live, can be worked out. But this can never happen except through a process of genuine and mutual compromise and accommodation. If there remains any doubt about the desire of the western powers to find a basis for such compromise and accommodation then of course we must try to sweep away that doubt. This may require a great new effort on everybody's part—possibly some new high level meeting, possibly a full dress conference of the powers principally concerned, the fifteen, sixteen or seventeen powers if you lke, on all forms of disarmament, including atomic disarmament; or it may require something else. It might suggest a meeting of the United Nations assembly in Moscow, an invitation to which may not be too easy to obtain. If, for example, direct negotiations amongst the great powers would initiate a process of settlement, no one should object to them on the grounds of procedure or prejudice. In this respect, I agree with the secretary general of the United Nations, who not long ago said that he was in favour of great power negotiations, and I quote from his statement:

> . . . all the time, and on all levels . . . inside the United Nations and outside the United Nations.

Certainly, we must not become fixed in any rut, atomic or otherwise, or assume that any scheme we put forward is necessarily final or perfect.

The World Council of Churches, meeting recently at Geneva, made a moving plea for such negotiation in the following terms:

> Governments of nations have an inescapable responsibility at this hour. The world is divided into hostile camps through suspicion and distrust and through failure of nations to bring their mutual relations within an agreed system of justice and order. As representatives of Christian churches we appeal for a gigantic new effort for peace. We know how strenuously governments have discussed peace in the past. But sharp political conflicts continue, and atomic danger develops uncontrolled. We urge governments to enter into negotiations at once again and to do everything in their power to bring the present tragic deadlock to an end.

We must all agree, of course, with that. It is essential however that any new move designed to insure peace by removing international differences must be taken only after the most careful preparation. At the same time the free peoples must make it equally clear, as they can do, that they are not for a moment prepared, because of anguish over the present situation, or fear or insecurity, to make any unrequited sacrifice, through which they would weaken their position in return for nothing. There is no use in giving way to unreasoning panic. We are stronger now then we were. But however strong we might become, it would be folly to base one's policy on strength alone. As has been said, the first obligation of diplomacy is to avoid a situation where power alone talks. We can and should, therefore, reaffirm our desire to seek again, through negotiation, a settlement of the divisions which now beset the world.

Even in the best circumstances, however, a settlement of the problems which divide the communist world from the free world will not be easily reached. Some new interventions, such as those suggested by the member for Rosetown-Biggar (Mr. Coldwell), in his interesting analysis of the present crisis, might be a useful beginning for such a process. Certainly this government would give every support to any new beginning which gave any promise of success. Let us not forget, however, in our determination or desire, our anguish to do something, that the road ahead will in any case be long and difficult. We shall have to walk it with patience and with caution, with persistence and with realism. If a new approach, for instance, did not get us anywhere—there is always that possibility —we must not even then give way to the inevitable reaction of despair which would follow.

This point is well put in a leading article of the February 18 issue of the *Economist*, which no doubt some hon. members have read. One paragraph of that article reads as follows:

> Behind the hopes of a quick agreement with Russia lies more than a trace of the belief that peace can really be had quite cheaply, by a single bargain, and not, as is the grim truth, by an intelligent, costly and sustained political effort lasting over a generation. Repeated talk of settlements and agreements and pacts can divert the attention of both statesmen and peoples from the fact that the only possible diplomacy for the western world—that of agreement through strength—is about the most difficult diplomacy that democratic nations can be asked to sustain. It means that for years to come a measure of military preparedness and a high degree of economic stability will have to be maintained throughout the non-communist world.

I suggest we will also need a high degree of democratic unity to face the communist policy of aggression, directed from one, and only one, centre, and without the limitation of scruples or sincerity or morality. We must, I know, pay the price for freedom, national and individual, by differing and disputing among ourselves on occasions. So we have congress versus parliament; dollar versus

sterling; commonwealth associations versus European federation; security by military strategy versus security through social and political strength; international obligations versus domestic responsibilities. Every democratic state has these conflicts within its borders, and every group of states has them between its members. We should be careful, however, to see that they are not permitted to weaken us unduly as we face the dangers ahead.

At some point in the encircling barrier of unsolved problems which hems us in at the moment, there may be some new opening upon which we could begin to work. With patience and with diligence we must search for this opening, and, when we find it, set about expanding it with every tool of diplomacy and negotiation that we have available. We shall not, I suggest, facilitate this search by permitting our hunger for peace to lead us into unrealistic and specious courses. On the other hand we shall only hinder it by bellicose declarations that all is perfect on our side, and anyway we can lick Joe Stalin!

I should like, Mr. Chairman, in the very few minutes that remain, to turn to what the Soviet union is doing or is not doing in the particular field of atomic energy control.

During the past three or four months, while the United States has been going through the throes of its most difficult and fateful decision as to whether or not to push ahead with the development of the hydrogen bomb, because of the absence of agreement on the international control of atomic energy, the Russians have quietly and energetically been cultivating the impression, with some success, that they had already made new proposals for such agreement which we had turned down. Inferences are drawn from vague and speculative press reports that have passed the Moscow censors, as well as from some of Mr. Vishinsky's remarks on atomic energy in the last United Nations assembly, hinting that they have offered concessions which we are ignoring. Nothing could be more misleading or further from the truth. Nothing could be more dangerous than that this impression should spread.

Until last September our public were not particularly well informed as to what the Soviet position on atomic control actually was. Last autumn, therefore, when Mr. Vishinsky offered the assembly, as if it were something new, what he called strict inspection and effective control as an integral part of an atomic energy agreement, many people naturally thought that concessions were being made, and that at last the deadlock was being broken. Perhaps Mr. Vishinsky's intention was to concede and not to confuse, but some of his statements at that time seemed more like double talk, and in some cases were even mutually contradictory. In the course of the recent debate at Lake Success, he said everything about everything. If one makes a close and careful analysis of his statements, as I have, it reveals nothing that could not be interpreted as being wholly consistent with the Soviet proposals of June, 1947, which did not provide anything approaching adequate international inspection and control.

If Mr. Vishinsky meant us to read something new and different into his words, I hope he will make that clear to us at the first opportunity. It is of the greatest importance that we should know. At the moment we certainly cannot find out at Lake Success. Hon. members will recall that the assembly last autumn directed the six permanent members of the atomic energy commission, among other things, to discover what the new—if they were new—Soviet proposals on atomic energy control meant. But the Soviet representative walked out of the meeting without clarifying his own position in any respect. When these talks are resumed, as I hope they will be, maybe we shall be able to get that clarification, which must be insisted on because it is vital to the whole question.

To be specific and definite on this point, sir, I should like to draw the attention of the house to a comparison of what Mr. Vishinsky said in his main speech on this subject to the general assembly last November and what was proposed by the Soviet representative at the twelfth meeting of the atomic energy commission on June 11, 1947.

In summing up Soviet views on inspection —and this is the crux of the problem—Mr. Vishinsky made six points last November, which were simply a condensed rewording of the original Soviet proposals. On the heart of the matter, Mr. Vishinsky said that there should be—and I am quoting from his statement—"periodic and special investigation of the activities of enterprises extracting atomic raw materials"; that is, periodic and special investigation by some international atomic authority. That sounded fine. The Soviet proposals a couple of years previously said, and I quote from them:

> The international control commission shall periodically carry out inspection of facilities for the mining of atomic raw materials and for the production of atomic materials and atomic energy . . . and carry out special investigations in cases where suspicion of violations . . . arises.

All that Mr. Vishinsky added to that statement was that he wished—

> —to make it quite clear that periodic inspection means inspection at intervals, but intervals as determined by necessity and by decision of the

international control commission whenever that commission deems it fitting that such inspections should take place.

That is all very well as far as it goes, but it does not go far enough to give us that security under international control which is essential if we are to sign any international agreement. For instance, it does not allow for international inspectors to be on the job all the time, which we think is essential; nor does it explain how the international control commission could determine whether any country had declared all of its production facilities.

The Soviet union has added nothing to the most inadequate section of its proposals; for Mr. Vishinsky did not explain how "special investigation" could work in a country which would not allow inspectors to go anywhere except to the atomic establishments which it chose to declare. There is still nothing in the Soviet proposals to prevent a country hiding away, in a remote corner of its territories, a whole series of atomic installations which it would not necessarily declare, and which the inspectors would therefore never know anything about, because they could go only where they were shown, and then only at intervals.

We must be careful when we examine proposals of the kind which I have indicated; and we must be especially careful to see that the interpretation given to those proposals in our own country is not false and misleading, if we can prevent it. I am not, however, so much concerned at the moment with trying to indicate where the blame for failure lies as in finding a possible way out of the deadlock. I therefore repeat that in this search, which is literally one for survival, we must keep open every road, every by-path and every trail which may lead us to the objective we all so ardently desire to reach. But we must, at the same time, take every necessary measure, moral, economic and military, to defend ourselves collectively against aggression from those reactionary subversive forces which have hitherto blocked the road to peace.

Mr. Graydon: There is a general feeling abroad, Mr. Chairman, in this house as well as outside of it, that members of parliament generally should not seek to find differences with the government on major issues of foreign affairs but rather should try to find common ground so that the nation will be able to speak, so far as it is humanly possible, with a common or a united voice in the councils of the world.

It should be pointed out at this time, however, that those of us who are in opposition cannot be expected slavishly to follow the government on every point where they have

made a decision on external matters. In no other single department of government are the dice, so to speak, so loaded against the opposition and so loaded in favour of the government as in the Department of External Affairs when a discussion of foreign affairs arises. There is no general inter-party clearing of information of a confidential sort or otherwise in Canada today. The fullest information, secret, confidential and otherwise, is in the hands of the minister of external affairs (Mr. Pearson) and his experts as he presents his case for or against a certain position which the federal government has taken or is about to take. Even the standing committee on external affairs gets little information other than that which it has already obtained or will obtain from the newspapers.

The background of current foreign affairs ought to be made available more fully to members of parliament generally; for, after all, they are the representatives of the people; and whether it is a matter of domestic or foreign affairs, the people ought to know the facts upon which the government bases its decisions. I am sorry to say this, but I think I must do so. The rivers of international information available to those outside the strict confines of the cabinet itself have pretty well dried up in this country. I urge that the government, within the limits of security and ordinary diplomatic usage, should start these streams running again. It is highly improper and completely unfair to suggest in one breath that we have a single voice in the councils of the world and at the same time to withhold information which would enable a clearer and more effective discussion of world events. I believe that the blinds ought to be rolled up in the east block so that from the centre block of parliament we can see at least something of what is going on.

It is my hope that when the standing committee on external affairs deals with the estimates which will be referred to them by the Commons shortly, an opportunity will be given to members of that committee which was denied by the committee itself last year, of hearing firsthand reports from those who have been on the ground in the countries in which the most acute crises have arisen. It is all very well to hear the various departmental officials here in Ottawa tell what somebody else has told them, and then we tell our constituents; but who is more entitled to get the firsthand information than the members of this House of Commons sitting in committee, or in the Commons itself? That should not be denied to them on this occasion. We are entitled to more than hearsay evidence.

Many arguments were advanced in the committee last year as to why we should not

near Ambassador Davis, who had been on the ground in China for many months prior to that time. We were denied that after a vote in the committee, and after, I may say, the government had indicated their desire that the ambassador be not called. That should not be repeated. We ought to be able to get the full light on external affairs if the public of Canada expect us in parliament to debate and make a decision intelligently on this very important level of our work.

It is little wonder that the minister of external affairs, in reporting to the house on the Far East, struck a somewhat pessimistic note. His message could be summed up in the words: "Anything can happen there". When one realizes what a head start soviet imperialism has in the Far East, and realizes further the immensity of the problem of extinguishing the communist conflagration as it moves through the inflammable forests of misery in that poverty-stricken area, it should be sufficient to shake every supporter of democracy from the last vestige of complacency. When is added to that the record of events during the last five years, no one can look at this sector of the world front without grave concern for the future. Five years ago one out of every twelve of the world's people had a communist ruler. Today one out of every three is under communist domination. Without a single shot being fired or a bomb dropped, Russian imperialism has achieved the greatest single peacetime victory in the shortest length of time of any comparable movement in the world's long history. That is something that no Canadian can afford to ignore; it is something that no democrat anywhere in the world can afford to ignore, because it shows that the Russian campaign for world domination is on the move.

The house listened with intense interest to the Secretary of State for External Affairs expounding, not at great length but expounding nevertheless, his ideas with respect to the situation in Japan. His point of view, which seems to favour a quick and early peace treaty with the Japanese, does not carry universal support, if one reads the press and other news articles from time to time. There may be, however, a background of information available to him which is denied this parliament and many of those who take a contrary view, and anything I say will, of necessity, be tempered with this consideration.

Japan could be a valuable bastion for the democratic nations in the Far East and is in the best position of all of the nations there to stop Russian aggression in its tracks. It could also be an easy prey to the same aggression, and herein lies the importance of strategic Japan today.

The Japanese government alone, of all the oriental countries, took steps of an effective character many decades ago to westernize her economic, social and political ways of life. True, it ended up on the reefs of military dictatorship with consequent disaster; but it has within itself the elements necessary to establish a powerful democratic state, if it chooses to follow that course. If Japan is prepared to become a convert to our way of life, and a sincere convert, it can be an essential link in a world chain of democratic states.

Japan is occupied by a nation that has been her avowed enemy for years. It is only natural that there may be elements now within Japan which are not vocal, which are opposed to a continuance of the American yoke at this time. But until the western powers are satisfied that Japan is prepared to be that link in the world's democratic chain, the danger of lifting the occupation at this stage would seem to be a rather hazardous gamble at best. If Russia and her international communist propaganda were to overflow into the new state that is set up before its democratic government gets on its feet, we might readily find that the MacArthur occupation should not have been lifted so soon.

Some day the occupation has to be lifted, but a new tree in the strong wind that is blowing at the present time from the Chinese and Russian shores would be much more easily bent to communistic purposes than a sturdy oak with its roots firmly set in the ground.

To bear that out, one of the experienced staff members of the New York *Times*, who has been resident in Japan since the surrender, has this to say:

> The possibility that Japan itself might be taken over by the communists must be considered. While the occupation continues, there is little likelihood of this happening, but what can be said about the future—if American troops are withdrawn? It must be remembered that if, after rehabilitating Japan, we allow the country to slip into communist hands, we have handed them on a silver platter precisely what Russia has been seeking and failing to obtain since the Russo-Japanese war more than forty years ago—an industrial plant in the Far East.

So far as Japan is concerned, it is my opinion that before the western nations adopt precipitately the policy of having Japan "go it alone" they must be certain beyond any shadow of doubt that by doing so they are not playing into the hands of a giant Russian plan to conquer the whole of the Far East. That is all I ask of the Secretary of State for External Affairs at this moment.

I shall leave other aspects of the Far East in the capable hands of my leader. He may have something to say with respect to them as the debate proceeds; but in turning to another aspect of our foreign affairs, which

was touched on by the minister during his address this afternoon, I do want to say that in my opinion the most vital job at the hand of every responsible nation of the world today is somehow to find the way to stop the present aimless international drifting, which is causing no end of alarm to the ordinary citizens of the world, because they have a revolting fear that a continuation of this squaring off of one group of nations towards another may end in another armed holocaust.

I suppose there is no single thing that is engaging the attention and absorbing the mind and thought of the average citizen in this country today more than the statement that I have just made with respect to the possibilities in the future.

Right now may be the critical turning point and this nation must bend her last sinew of energy, capacity and initiative towards resolving the present international impasse, which holds terrible implications while it remains unresolved. It is only natural, perhaps, to draw attention to this fact. The globe is so shrunken by means of modern transportation and communication that everybody today is everybody else's neighbour all over the world. Time and distance have been reduced to mere symbols of what they were, while into this shrunken ball of a world have been thrown two of the most destructive weapons of which our imagination could conceive. Moreover, the end of destructive enterprise and ingenuity may have only begun. From armament race to atomic race, to hydrogen race, the world races on with startling concern to all its citizens. It may well be that the choice before the world now is not just a choice between peace and war, but the choice between peace and the mass obliteration of mankind.

Whatever may be the ills of the world, they have shrunk into infinitesimal proportions when contrasted with the dangers which science is racing to make available for infliction upon our people. This makes the resolution of the main prospective causes of war an immediate must for us all.

At one time sitting on a keg of dynamite was about the most dangerous pastime of all; but sitting on a keg of dynamite today would, to the ordinary person, be a position of relative safety compared with what could happen were modern weapons ever to be used. Before it is too late, an end must be put to the atomic-hydrogen race, because history has too many instances to show that preparations like this sometimes lead to the use of the preparations which are made.

[Mr. Graydon.]

Before this world is shaken further with atomic paralysis, the peace-loving peoples of the globe must make a last, determined stand to chain the dogs of war.

It has been my fear, and I have expressed it more than once in the House of Commons, that the great United Nations Organization, which has numberless successes to its credit in the field of international peace, despite its failure to make one world out of two, has had one hand tied behind its back in its efforts to deal with world problems, because of the fact that the heads, particularly of the great powers, have seen fit to remain away from the sessions of the security council and the general assembly. This has tended to reduce the United Nations Organization, not merely in fact but in the eyes of the general public, to the position of a giant debating society, where nothing much is expected to be accomplished, and where only international hot air is released.

It may have been that those of us who attended at the birth of the United Nations in San Francisco, almost five years ago now, had ideas which were not shared by those who held other ideas concerning the United Nations Organization in general. However, my thought certainly was that when the United Nations was set up it would not simply be a second-rate meeting of people in other brackets of the public service, who would represent the nations of the world, but would be a meeting together regularly of the heads of nations to clear the decks for action, so far as world peace is concerned. Apparently that was not to be—but it certainly was one of the things for which I had hoped, and which I thought would flow from that great organization.

The United Nations has to be restored to public confidence once more, and it can be restored to public confidence in the final analysis only by the heads of the greater and smaller powers recognizing that this is the organization through which the nations of the world have chosen to work; and having so chosen, the heads of the nations should not any longer high-hat this their own close relation.

I have been amazed to find that this appears to be the state of mind of the chiefs of powers both great and small—and in this I do not include the government of Canada, because from time to time our Prime Minister (Mr. St. Laurent) has attended. I must say about many other countries that in my view it is about time those countries came to their senses and realized that after all the United Nations cannot be allowed to

remain the plaything of ordinary representatives of nations, and that they cannot continue to boycott both the assembly and the security council, so far as the attendance of the chief figures in those countries is concerned.

I have doubts in my own mind as to whether any of the recent suggestions emanating from some of the senior world statesmen quite fill the present international bill. Some have called for a Big Three conference again, outside the United Nations, for the purpose of bringing the world's hopes for peace closer to realization. The end is laudable but in my opinion the means leaves something to be desired.

My proposal today is that the United Nations should not be by-passed, but that a special meeting of the security council and the general assembly should be called forthwith, and that Canada should take a leading part in initiating this movement. I suggest that, wherever this international meeting is held, the head of every state of the United Nations should be there, in person, to make one final and determined effort to clear the decks for peace in the days that lie ahead. When a few moments ago the Secretary of State for External Affairs suggested that that special meeting might be held in Moscow, I think perhaps he was carrying things a little too far, and I believe in his speech yesterday President Truman indicated that he held that view. Because, after all, we do want to have a special meeting of the United Nations and we would like to have it at a place which would be convenient generally; but I do not think this country or, indeed, any other democratic country, wants to get down on its knees to any other competing nation. What we want to do is to meet them on fair, reasonable, equitable and decent grounds, wherever it may be.

These suggestions would meet the ends suggested by Mr. Churchill and others who have made similar proposals; and at the same time it would meet the objections of those who believe that the international organization, as at present constituted, should be the avenue through which this new peace move would be made.

Without any reflection upon the high calibre and the splendid service given by men and women in lower governmental levels, who have done their utmost to promote the cause of peace in the United Nations Organization, I submit that too much of the actual peacemaking of the world has been left to those who hold inferior positions in the nations they so conscientiously try to represent. Acute and serious issues, like the atomic and hydrogen bombs, cannot be solved by people who only take orders from other governmental chieftains at home. What the world needs is that the chieftains shall put their feet under a common table at a United Nations meeting and make an honest attempt to give the people of the world the one thing they long and pray for, a just and lasting peace.

With threatening war clouds casting their shadows over every element of the world community today, no time must be lost in implementing some such proposal. As Prime Minister Nehru said only the other day:

> If you think the world is a pretty bad show, let the hydrogen bomb put an end to it. If you want to carry on the world with any decency, then you had better put an end to the hydrogen bomb. There is no choice for you.

It would be folly to suggest that the vexed problem of outlawing the atom and hydrogen bombs is a simple one. The minister's speech this afternoon went far enough to indicate some of the major and serious difficulties which confront the nations. Ever since the days of Hiroshima, the three great powers have been making proposals and counter-proposals with a view to banning the use of such weapons as machines of war. But actually the discussions have never reached the point where the deadlock looked likely to be broken. In simple terms, the deadlock comes from the fact that the western democracies have proposed that the mining, manufacture and use of atomic energy for war should be under international control and with it full international inspection. The soviets have accepted the proposals, except with respect to international inspections, as the minister pointed out a few moments ago. This they refuse to do except to a limited inspection and the limitations they place on inspection actually mean that a nation at its will can still mine, manufacture and prepare for war the use of atom or hydrogen bombs. In effect the Russian counter-proposal is no guarantee at all as to the outlawing of these destructive works of science.

One disturbing feature, of course, of even the western democracies' proposals for all-out banning and full international inspection is that while this would be a guarantee before war came, while peace still reigned, it is evident on careful examination that it would be no guarantee once war broke out, because then international control might well be impossible of implementation. In any protracted hostilities the nerve-shaking possibilities of atomic energy being put to wartime use and inflicted upon humanity's masses of civilians would be ever present.

Nevertheless, the world should make another try at banning the bomb and at the same time making a determined effort to

make nations mind their own business and to outlaw national policies directed at world revolution, which means the sticking of long foreign fingers into the domestic affairs of other states who have different systems of government. We need an international policy of "hands off" the other fellow's affairs.

These two issues, more than all others, are dividing the world into two today and before the western democracies are forced to conclude that Russia is definitely out to conquer the world and to impose her communistic system on all of us, the world meeting, which I have proposed before, should be held. It may well be the world's last chance, but at least the western democracies will know and their peoples will understand that every last thing has been done to preserve peace and to give the world's peoples a chance to live in the sunshine of international confidence rather than in the clouds and fog of fear, uncertainty and concern.

This is a severe testing time for democratic countries, for the maintenance of a high level of prosperity and employment is just as essential in the battle we are waging to preserve our way of life as the military preparedness which we have under way. We must find the way to master that problem as one of the major features of a successful fight against the inroads of godless communism.

As the minister did a few moments ago, I crave the indulgence of the house to say a few words about another matter which is closely integrated with the whole issue of peace and war. We hear once in a while of General Worthington's visits to various sections of Canada. We hear of certain co-ordinating movements with respect to our fire departments, for instance. But with the intensity with which destructive processes have been developed, all of the gadgets and services of yesterday will not do for a war the day after tomorrow. If another war comes, and God forbid that we shall ever see it, our civilians in this country and in others might, without adequate preparations, present a state of helplessness the like of which the world has never seen in previous combat. The house must be told fully and frankly what provision is being made for the safety, hospitalization and security of our people in case of trouble.

There need be no question of security reasons blurring the explanation of what Canada is doing for her own people to protect them from these perils. We read in the newspaper last week that Dr. Paul Larsen, now head of the United States office of civilian defence, has indicated that he will present a program soon for the defence of Washington from atomic attack. Larsen said to the newspapers:

> Our first job will be the relocation and redesign of the present government office set-up in the capital. Dispersion out of the Washington area and underground instalments, either in or out of the capital, will be our general means of defence. We may utilize underground shelters within thirty or forty miles of Washington.

What this nation wants to know is, "What are we doing to protect our people at home?" We do not want to hear about it nine months after we should have heard, like the combines commissioner's report or the screening of the employees of the national film board. With these rather sad experiences so fresh in parliamentary minds we have a right to ask and demand that our civilian defence preparations be made public. Actually, the defence committee which the opposition has asked for should see to it that General Worthington and his staff are called as witnesses, so that full disclosure of our home civilian defence position may be made known.

Naked diplomacy without bread and butter sometimes proves to be a cold and ineffective thing. The fact that the minister spent as much time as he did this afternoon on the economic end of external affairs would bear out the statement I have just made. An erstwhile European leader once said, "If trade does not cross international borders, armies will." Without subscribing fully to such a doctrine it may, nevertheless, be said that diplomatic relations are bound up—yes, and peace itself—in the opportunity which men and women have throughout the world to make a decent living. Of recent times our primary producers in Canada have been losing one by one their markets in the United Kingdom. There is a need to revitalize our trade position with members of the commonwealth and empire. As the minister of external affairs said a few minutes ago, there is a need, not only for prosperity in agriculture but for the prosperity of Canada generally. It is a great truth that if you have not a prosperous agriculture in Canada you can never say that you have a prosperous Canada.

At the risk of repeating what has been said already in the house this week, but which in my opinion cannot be said too often, there is much that can be gained by Canada taking the initiative in calling a full-fledged commonwealth trade conference. I must confess that when the minister made his report a week or two ago in connection with the Colombo conference—it may have been that his explanation was not understandable to me—it seemed to me that the commonwealth consultative committee upon which he laid some stress was a pretty weak and feeble

excuse for a full-fledged commonwealth conference for the settlement of commonwealth trade today. I do not know what other hon. members may think with regard to that statement concerning the commonwealth consultative committee, but it seemed to me that it fell far short of what Canadians, particularly those in primary industry, would expect.

The United Kingdom has been our traditional market in the past for agricultural products and perhaps offers greater stability than any other. It should not be a conference designed to increase tariff or other barriers or restrictions against other nations; rather it should be a gathering whereby commonwealth countries could once again find a formula for successful and prosperous trading one with the other. We must leave no stone unturned to find markets and good prices for our agricultural production. It must be made part and parcel of an effective over-all policy to maintain prosperity in the interests of the preservation of democracy on the world front.

Speaking further with respect to trade within the commonwealth, reports from the Colombo conference have been couched in considerable vagueness, and included such words as:

> There exists a continuing and substantial degree of community outlook in the approach of the commonwealth countries to current problems of foreign affairs.

If there ever was a prostitution of the English language to a position where it means nothing I submit it is to be found in that kind of statement. So much was this so that one newspaperman of prominence in this country said that the announcement was like a medical bulletin about a very distinguished patient confined to hospital. The bulletin was, "the patient's condition remains good."

It is to be presumed from reports from Colombo that the new Asiatic members of the commonwealth prefer to throw in their weight with the democratic countries against the influence and spread of communism. The conference indicated that there was envisaged some program of mutual self-help and economic development which would be aided by grants of credit and technical help from commonwealth countries of more mature development.

The Washington tripartite talks last September recognized the problem of opening former trade channels for more of these Asiatic countries, and it was agreed that Canada would stockpile rubber and tin purchased from these nations for three purposes; first as a defence measure, second as an aid to Great Britain's depleted dollar reserves, and third as an aid to those Asiatic countries which have lost markets. That was six months ago, and still in the press of February 18 last there was a statement, originating from government sources in Ottawa, that talks are now going ahead between the government and Canadian industry for the stockpiling of natural rubber and tin in Canada. I am told that our stocks of natural rubber have decreased each month since last September and that our consumption is increasing, for reasons that I need not go into now. Here was one place where Canada could have acted promptly and eased greatly in a practical way some of the problems which were recognized as among the most urgent ones at the Colombo conference last month. Something could have been done about some of the problems which were covered up in that underbrush of words I quoted a few moments ago. May I point out to the house and to the government that after all there has been a lot of talk emanating from these international conferences, but it is deeds and not words by which Canada must make its contribution to stabilized trade in the Far East. If this example is to be taken as a general sample of the speed with which Canada is tackling the problems of the Far East, I suggest that there ought to be a change of policy or a change of gait in that regard.

This nation and others learned their lesson on preparedness during the early days of the last great war. Our people are not in the mood at this time to put their heads in the sand and let the world go by. Today some nations understand only the language of force and power. We have to master that language also, for while preparedness might look like war, when dealing with some realistic peoples it may well mean the guarantee against it. This nation must not be caught napping, and our external policy must be backed up by such might as will give its implementation both power and strength.

Nevertheless in our long-range plans for preserving democracy and our free way of life as against communism and its shackled way of life, we must not forget that the smashing of Russia and her satellite powers by any conceivable combination of military strength would not necessarily destroy communism. To some communism is an idea, to some it is a religion, to some it is a crusade; but who is there who believes that we can put an idea in jail, that we can blast a religion, or bomb a crusade successfully? Communism as an idea, as a religion or as a crusade does not march on battlegrounds, does not sail the seas, does not fly in the air, but marches in men's minds. It marches most successfully in the minds of

men who have suffered economic and social injustice, and who are experiencing poverty, suffering privation and distress.

Collateral, therefore, to our plans for preparedness and national security we have to meet the challenge of communism on the battleground in men's minds. That means we have to show the hundreds of millions of people who are going somewhere towards a better life and independence, and who are still making up their minds in which direction they will go, that a system of freedom rather than regimentation and totalitarianism can give to the underprivileged masses of humanity a more abundant life than any other. We believe it can. We must demonstrate that it can or we fight with lessening chances of success.

The trump card of Prime Minister Nehru of India in his fight to keep India from communism does not seem to lie entirely in mass force but rather in the direction of seeing to it that India has a government which will achieve through free means a better life for all. That defence seems to be increasingly powerful in the lukewarm war between communism and freedom. Therefore let us remind ourselves that one of the powerful arms of our attack upon godless communism is bound up in the rapid and effective removal of the evils upon which that wretched doctrine feeds, and the maintenance of prosperity and good standards of living for our people. We must display to the world's masses that justice for all and humanity towards all, both big and small, is the hallmark of democracy at its best and the most effective guarantee of permanent peace. In our advance to that laudable goal, as democratic peoples we would do well to remember the immortal words of Tennyson:

> Ring out false pride in place and blood,
> The civic slander and the spite;
> Ring in the love of truth and right,
> Ring in the common love of good.
>
> Ring out old shapes of foul disease;
> Ring out the narrowing lust of gold;
> Ring out the thousand wars of old,
> Ring in the thousand years of peace.

Mr. MacInnis: Mr. Chairman, for two reasons my remarks at this time will be very brief. The first is that two members of the C.C.F. party have already spoken on external affairs in the debate on the address in reply to the speech from the throne, and others may have something to say this afternoon. The other reasons why I will not take the time of the committee to any extent is that by and large I am in agreement with much, if not all, of what was said by the Secretary of State for External Affairs.

The only doubt or obstacle that would be in my mind to full acceptance of it would be the assurance, and probably that assurance was implicit in the speech itself, that he was setting forth the policy of the government, and not merely his own point of view. We must all admit that, today, international affairs is a difficult matter with which to deal. It is a difficult matter to deal with because we have a division of the nations of the world different from anything we ever had before. There are two general ideas, and there seems to be no point of contact between those two ideas.

In common with many members of this house, I had the opportunity of attending a session of the United Nations. It was quite clear to me that the Soviet union had one policy, and only one policy. It was to find out what the other nations proposed to do, and then say "no." I believe that is true, not only in the meetings of the assembly, but in nearly all the meetings of the organizations and committees of the United Nations. While conditions remain on that footing, there can be scarcely any degree of co-operation in world affairs. I must admit at once that I have not the solution. I am not as confident as the member for Peel is. I assume he did feel confident that some good would come from the proposal he made, that a conference should be called at which the heads of all the nations in the United Nations would be present. To me it has always seemed unrealistic to suppose that if Churchill or Attlee, for instance, President Truman and Stalin met, their approach to international affairs would be different from that of Molotov or Vishinsky. Surely, that idea arises from a failure to understand the fundamental principles of international affairs. When Vishinsky goes to the United Nations, he is expressing Stalin's point of view. If he is not expressing Stalin's point of view, then the Soviet union is not a country with that tight control we have been told it is. Do not suppose that any representative from the Soviet union goes to the United Nations, or any other conference, with a policy different from Stalin's.

I believe the first approach to an understanding of the present difficulties in world affairs is to get rid of that idea. I was glad to hear the Secretary of State for External Affairs refer to the economic situation. To my mind, there is one danger in our military preparedness, and that is that we may put so much into military preparedness that we cannot raise our standard of living. If that time comes, we are going to get a diminishing return from our military preparedness. I quite agree with the member for Peel that you cannot stop communism by military might. We will, of course, have to prepare to defend ourselves. Ultimately, the only policy for the destruction of communism will be to

raise the standard of living of our people to show that all the people, from the least to the greatest, are of importance. Let us not forget that communism itself grew out of the despotism of the czarist government. May I say that the most tragic event in world history is the position the Russian revolution has reached today. So far as I have been able to read history, there was no event that had greater acclaim among the people of the nations of the world than the Russian revolution of 1917. It embodied a hope for millions of downtrodden and depressed people. Yet, it has come to the point where, in freeing the Russian people from the oppression of the czar, it has imposed a greater oppression than the czar.

A great many people still do not understand that. In common with the people who are hoping that if only Stalin can get around a conference table with someone everything is going to be all right, these people hope that, if the suspicions that the Soviet union has of the western world could be eliminated, everything would be all right. I am convinced it is not a question of suspicion at all. It is a question of a well worked out policy for world communism. The point I wish to stress particularly is the danger of putting too much emphasis on military preparedness. I wish also to point out that any economic assistance we can give to the nations of western Europe may prove to be of greater value than if we had put that amount of our resources into military supplies. Let us remember that communist aggression is not only external; it is also internal. At any moment all that has been gained in France and Italy might disappear, if economic conditions in those countries deteriorated beyond a certain point. I believe that, above all else, the western world must remember that the standard of living of the masses of the people must be raised. The people must be given the feeling that democracy means something more than the right to vote at an election. It must mean the right to live decently, the right to bring up their families and educate their children. It must mean all those things, as well as the right to take part in electing a government. If we keep these things in mind I think we shall be able not only to supply the arms we need for defence but to increase our production so that the arms may never need to be used.

Mr. Low: At this time, Mr. Chairman, I do not rise to speak at any great length on the resolution that is before us, but I thought it would be important for the Social Credit group to put its views before the committee at this stage inasmuch as this whole matter of external relations has come to be perhaps the most important problem that Canadians face. I say that because the term "external relations" includes, among other important things, the whole matter of our trading relationships with other nations.

At the outset I wish to say that my sympathies are certainly with the Secretary of State for External Affairs. I recognize all too well the fact that he finds himself surrounded by a set of circumstances the like of which few, if any, ministers of external affairs, foreign ministers or secretaries of state for foreign affairs ever faced in times before these. Because of the fact that our world relationships have fallen into such confusion, I believe that it is not the wisest thing to become carping critics. I think that the government must realize how tremendously important it is for them to take the wisest steps that men can take in full faith, and to feel that they have the backing of all the people. In his speech this afternoon the minister indicated a desire, I thought, to keep the people informed, and to have the people feel that they know what is going on. We realize that the minister cannot tell us many things that we may want to know. I can quite understand the difficulty of giving the people a running account—I think that was the term used by the minister this afternoon—of negotiations between the Canadian government and the governments of other nations of the world, or even a running account of some of the things that are taking place in the United Nations. But I believe that there are a good many things yet that could be done to keep the Canadian people more fully informed.

I cannot at this moment make specific suggestions as to what more could be done except to say that the minister and other members of the government should more frequently make before the house statements similar to the ones we have heard from the Secretary of State for External Affairs during the past ten days. The minister this afternoon mentioned the fact that he still has faith in the United Nations as our best hope for world peace. I suppose it is his business to have that faith; but I would suggest that it is the triumph of hope over experience; it must be. As the minister contemplates what has gone on and the position that the United Nations occupies today, with a split world, it must be an expression of hope that transcends the experiences of the past.

I suppose there is a good deal to be said for an international sounding board. The United Nations has often been called that. My experience there in 1947 impressed on me

the thought that such a function might be a useful one. As the minister has said on one or two occasions, I believe—at least, if he did not say it here, he said it to me; and I am sure he would not mind my repeating it—they are not likely to be shooting while they are talking. I of course agree with that. But I believe that a danger arises out of that attitude. I am afraid that we might become so enamoured of the sound of our own voices in the United Nations assembly, security council and so on, that we are not aware of what is happening while we talk. It is perfectly apparent that while the nations have blustered, have talked, and have beaten the propaganda drum at the United Nations, communism has overrun and occupied country after country; and the United Nations has shown itself powerless to deal with this situation in any effective way. I know that there is no real use in standing up anywhere and uttering bellicose declarations—such as those I believe the minister had in mind this afternoon—against Joe Stalin, communism, Russia or anybody else. But I believe that we should be aware of the shortcomings of the organization we have set up. Not to be aware of those shortcomings, it seems to me, would be a great error of omission.

Let us look at the situation for just a moment and see how effective the United Nations has been with respect to one small matter; and at the time it looked as if it was a small matter. I refer to the problem of Israel. The United Nations decided upon a certain division of territory in the country in and around what is now Israel; and the various nations of the world agreed to that division. If anyone takes the trouble to look at the map today he will find that the territory occupied by Israel is far different from what was allocated to it by the United Nations assembly. Why is that? Well, there has been, by even small countries or small groups of people, toward any decisions of the United Nations, a defiant attitude which evidently that organization has been powerless to resist. Let us just look for a moment at the latest, namely, the effort on the part of the United Nations to set up in Jerusalem some form of administration for the protection of the holy places. I just call attention to Israel's defiant attitude toward that decision, and suggest that we have to be aware of the fact that even the smallest groups of people, the smallest countries, have been able successfully to defy that world organization, and make it tremendously difficult, if not impossible, to achieve the first step toward world peace.

Like the minister, I am full of hope that some way can be found of uniting the nations that have gone to the United Nations assemblies and meetings so that peace can be made effective; but I must say that my attitude has not changed in that regard since 1945, when on the floor of this house I pointed out the weaknesses of the whole United Nations charter and its set-up, which weaknesses, Mr. Chairman, have not as yet been altered or strengthened. I hope that some way will be found of strengthening them. In the meantime let us also look at another feature of this whole United Nations question.

When I was in New York in 1947 with the Canadian delegation I got the feeling that most of the nations of the world were using the assembly as a propaganda body—almost wholly as a propaganda body. I listened to speaker after speaker, not excluding our good Prime Minister, who at that time occupied the position of Secretary of State for External Affairs. I should like to say here that I did not hear him propagandize. I am proud of the fact that he stood up on the rostrum of the United Nations assembly, not long after it had opened in 1947, and gave a forthright statement of the Canadian position, which was not propaganda. I will say, and I think the Prime Minister will agree, that following that for weeks practically all we heard was propaganda.

Here was something also I noticed. I noticed that when Vishinsky spoke, or any one of the leaders of the communist satellite countries spoke, the United States press gave them great headlines, oftentimes the biggest they could get, and in red. I recall one day after Vishinsky had spoken we had a reception. In talking to some of the Russian delegates—if they were not delegates they were employees of the Russian delegation—they told me that Mr. Vishinsky had received as many as 30,000 telegrams from United States people congratulating him on standing up in the assembly and calling Dulles, and perhaps others, war-mongers. This occurred to me then. They chose New York as the site of United Nations headquarters, in supposedly the freest country in the world, with a free press. Russia and her satellites come over, and do they make the wisest possible use of those facilities! There was no attempt at evaluating news; no attempt at placing the proper perspective on what these men were saying. In the light of these things, what would happen if we had the headquarters of the United Nations in Moscow? I have wondered too, Mr. Chairman, whether the Canadian delegation has raised the question of holding an early meeting of the United Nations assembly in Moscow. Well, Senator McMahon, I believe it was, in the United States just the other day made the suggestion. I am not sure that he did not have something. It seems to me it might be a very useful idea for the

nations to invite themselves to go to Moscow. I am not so foolish as to say that Moscow would invite them or even let them go, but I will say this: If the nations of the world publicized an offer to have an early meeting of the United Nations in Moscow it might perhaps influence the thinking of a great many people behind the iron curtain. Surely there are ways of getting that information to them.

In this assembly I hear talk of an arm of the Canadian Broadcasting Corporation which broadcasts from our shores to foreign countries. Surely we can use those powerful radio beams to let the people of Russia know what we are suggesting, to let them know that our intentions are peaceful and all we want to do is to come to their country and let them see what it means to have a United Nations meeting in their country. I do not know what success we would have but it seems to me that it might be very useful. I know we would not get the press in Moscow. That is all too obvious. But there are other ways than getting the press. When I saw all of these delegations and employees running around New York—I suppose literally thousands of them—I thought that they themselves were a good propaganda body, and if they were in Moscow I can well envision the sort of information that would be spread around among the Moscovites. I think it would be all to the good. However, that is a thing which we cannot decide. At any rate I should like to see the Canadian delegation make the suggestion. I am sure they would find a good deal of support among the delegations from the other countries that are members of the United Nations.

If we cannot place too much faith in the United Nations at the moment what is our hope for peace in the world? I do not think that we can put too much faith in conferences. I do not mind having conferences, sitting down in a frank way and discussing the affairs of the world, the affairs of trade and those other things that are bothering human beings. Perhaps some good will come from them. But at the present time I do not believe that conferences—with the world divided into two camps and an almost irreconcilable philosophy separating the two camps—will bring us any nearer to an understanding with Russia and her satellites if Russia and her satellites do not want to make an effort to try to reconcile our difficulties. I cannot see very much use of that.

I was attracted, Mr. Chairman, by something that was said by a speaker just the other day and reported in *The Ensign*, to which I subscribe. I do so because I like to keep in touch with what the various elements of Canadian life are thinking. I think *The Ensign* pretty well reflects what the Catholic people as a body in this country are thinking and feeling. Maybe there is something in this—I believe there is. This is the way the article reads:

> Communist Russia's most powerful enemy was not the military or political strength opposing it, but the spiritual fervour of the Christian world.

This was uttered by Robert W. Keyserlingk, publisher of *The Ensign,* in New York. He reviewed the political events of the last twenty years, and said:

> The battle of the century appeared to be over political methods, but was in reality between two fundamental concepts of man. These are the totalitarian concept of man as a functional unit designed to serve the state, and the Christian concept of man as created by God to achieve, with freedom and liberty, his eternal salvation.

I think various members of this group, notably the hon. member for Macleod (Mr. Hansell), the very last time we took part in this debate on external affairs, drew to the attention of the house the fact that the conflict today must be looked upon as a conflict between the forces of righteousness on the one hand and the forces of unrighteousness on the other.

It must be emphasized, too, that those forces of unrighteousness are represented by the totalitarian nations whose concept is that man must be a cog in the wheel, subservient to a supreme state, receiving direction in a regimented fashion from the supreme state. On the other hand one must look upon the forces of righteousness as representing those peoples who have declared themselves in favour of the Christian concept, which holds that man is an individual, in himself, with a spark of the divine within him, that he should be the focal point of all activity, and that he transcends all other things.

I believe that in our efforts to find some way to peace we must always be aware of what the struggle epitomizes, and we must always be aware that in this great struggle we will have to take one side or the other. I feel sure the government and the minister will never desert the cause of the Christian concept, and that the government and minister will always range themselves on the side of righteousness.

In a world of violence, fear and poverty, the United States and Canada are an oasis of plenty, liberty and comparative security. That is why we in North America have a special duty in this struggle between truth on the one hand and godless error on the other. Those are the words of Mr. Keyserlingk, and I thoroughly agree with him.

We are facing fearsome things—fear of the hydrogen bomb, fear of chemical warfare, fear of germ warfare, fear of the continued spread of communism. But I think if we are to regenerate faith and if we are to find

any hope for the future we will have to look entirely outside material things. We will have to look outside the puny powers of man himself—because we have got ourselves into such a muddle, into such a confused mess, that it is time we got down on our knees and sought humbly for the guidance of Almighty God to get us out of our difficulties.

I hold in my hand a statement—and I shall read it, because I could not phrase it in such fine words. I shall place it on record as the substance of my own faith and belief with respect to this seeking for world peace:

> Dire perils threaten the world. In the final analysis it will not be through treaties, conferences of the United Nations or any purely human methods. These things are wise and necessary. But only the prayers and sacrifices of mankind can save us all from threatening disaster. The latest developments of science endanger the very existence of our world and threaten the lives of countless millions. The fearful devastation of the last war is as nothing compared to what will come should men engage in another struggle. A return to God, then, in the true sense of the word, is the price of our salvation. The issue is clearly put to us.

As a Christian nation, one that prides itself on having followed the Christian concept, I believe we can find some comfort in that. Personally, I have not very much fear of the hydrogen bomb, so long as a substantial portion of humankind will acknowledge their utter reliance upon divine guidance. When we do that the hydrogen bomb fear melts into insignificance. But we have got to make it a reality, and not mere words. We have got to put into our lives, and show the rest of the world that we believe in the Christian concept. In our approaches to our international relationships we must speak by deeds and not alone by words.

And that brings me to this division of what I wish to say, the problem of setting our own house in order so that we may speak with a united voice and so that we can show to the world by the sermon of our actions that we believe what we preach.

For a number of months I have been trying to think my way through this whole business of what we should do about communism. While I was giving thought to that question I ran across this editorial on the Finance-at-Large page of the *Globe and Mail* for February 22, 1950. It made me think, as I believe it ought to make every Canadian think. This is what it says:

> The Combines Investigation Act in Canada is directed against combines, monopolies and trusts among employers, but it says nothing, says the *Unioneer* (dominion labour unions, 73 Adelaide street West, Toronto) in a leaflet about "this new creeping paralysis known as the monopoly of human beings." It regards with great anxiety, for instance, the ability of one man in the coal-mining industry, "to stagnate an entire continent and create hardship and suffering for countless numbers of innocent people." This gigantic labour monopoly is far beyond Canada's borders but has a great effect on the Canadian economy.
>
> This "hidden hand" is safely domiciled beyond Canadian law, says the *Unioneer*, and tends to deprive industry and workers alike of the right to think. The author of the pamphlet is glad to see communism now condemned on all sides by labour on its own initiative but he does not like the fact that the law here "makes no provision for safeguarding the personal liberties of the individual worker." It actually compels him "to relinquish those rights for purposes of collective bargaining."
>
> It is possible at any moment for a small group of men to shut down our basic steel mills, our coal mines, our railroads, our automobile plants and each and every one of them are vital to the well-being of our peoples. Such a combine should be brought within focus of the meaning of the law without favour or consideration.

I do not know whether all those statements are founded on fact, but what I have just put on the record points up the necessity of a good deal of soul-searching on the part of the Canadian people to see whether we have perpetuated in our own midst things which are just as communistic as the bolshevism of Russia. If we have, then surely it is our duty, if we want to fight communism successfully, to put our own house in order. Certain it is that a good many thousand people have become slaves to one or two or a small group of men under the labour laws as they now stand. Can it be avoided? I do not know.

What shall we do to fight communism? There is one thing I wish to suggest this afternoon. In addition to attempting to live according to what we believe, in addition to showing to the world in our lives as Canadian people that we believe the truth of the sermon on brotherly love, I think it is most necessary to launch an educational program based on reason.

One of the problems that we have faced in the past with respect to communism has been that all too often men and newspapers and periodicals have resorted to the use of fear and prejudice in an effort to arouse the people against this insidious thing. I do not believe that that does very much good. I do not think it helps to merely point out the horrors of communism and what it has been doing in countries like Czechoslovakia, Hungary, Bulgaria, Russia or China. People soon become immune to talk of that kind. All too frequently they say, "You have overplayed the horror angle."

My view is that we ought to resort to a well devised program of education based on reason and not on prejudice and fear. It seems to me that if we would plan and execute a Canada-wide program that would make a restrained and wise comparison between the regimented economy, on the one hand, and the free economy, on the other; if we placed all the facts concerning standards of living in the various countries which

were represented in the effort to make the comparison before the people, the Canadian people would react much more favourably than they would to a program of hate and prejudice and horror.

Such a program could certainly be put out by C.B.C. and give C.B.C. at least one good reason for justifying some of the things it is putting out. Along with that most assuredly we must do, as the minister has indicated we should do—we must set our economic house in order. However, declarations of that kind lose a great deal of their strength when ministers stand up on the floor of this house and say that we have to resort to scarcity methods, as did the Minister of Finance (Mr. Abbott) the other night. He said that if we are to help the people in the sterling areas with some of our surpluses we will have to cut down on our own internal consumption. In effect he was encouraging the restriction of production. That is the mentality of scarcity and it indicates a fear of abundance. It indicates a fear of attempting to organize within our country an economy of abundance.

I say that we have to change our mental outlook if we ever hope to organize Canada on a sound economic basis so that we can be of help in the world and be able to demonstrate that a free economy is better than communism, so that we can show to those people who have these little aberrations, sometimes called split minds—I mention Dr. Fuchs—that without doubt a private enterprise economy divested of the abuses that have crept in can create the best standards of living for the people of any type of organization known in the world. When we demonstrate those things and when by action we lift all of our people out of the realm of economic fear of the future, then we need not worry very much about the general masses of the Canadian people ever turning to communism.

I know that we are beset by difficulties in trade, I know that we are beset by great problems surrounding currencies and their convertibility and all that sort of thing, but the fact remains that we do have in this great country of Canada almost limitless resources, almost limitless supplies of power, almost limitless supplies of labour with which to produce a high standard of living for every Canadian. The possibilities are all there. Therefore, we should not allow ourselves to be restricted in any way in the production of abundance of goods and services. We should not allow ourselves to be restricted by any group of crackpots, such as the Minister of Agriculture (Mr. Gardiner) spoke of, in the distribution of that abundance so that our Canadian people can have freedom from fear and freedom from want.

I think the Canadian people could gain real assurance if the Prime Minister (Mr. St. Laurent) would stand up in this assembly and say to them, "We will do our utmost to see to it that no financial restrictions stand between the Canadian people and the abundance of good things that this country can produce." Secondly, if he would stand up and say "We will organize affairs so that not one man who wants gainful employment will find himself out of gainful employment," I am satisfied it would set at rest the restlessness among Canadian people upon which communism feeds and breeds.

I want to feel that we can stand on common ground with the minister of external affairs in his approach to international relations. I close with this declaration. Social Crediters are seeking earnestly for a sound program on which we can co-operate with the government in power for the establishment of international good will and world peace. We are not going to criticize the minister when he is doing his best, but we will criticize him and the government if we think that he has not been doing his best. Furthermore, we will criticize if we feel that Canada is not taking every opportunity to act independently. I am satisfied in my own mind that Canada has not been able to act independently in a good many cases. Surely we do not want to provoke any nation, but there are times when subservience is a whole lot worse than provocation. I do not want to see this country in a position of servility to any country or group of men in the world. So long as the ministry keeps us on an independent footing and resists with all its might those forces that are determined to enslave the bodies and souls of men, then we will support it. But if we feel that they are not, then we reserve the right to criticize and tell the world where we think they are going astray.

I liked the forthright statement of the minister the other day. It did not contain very much meat, and I do not believe he expected it to. I liked his forthright statement today so far as it went. I should like to have more information. I do not know whether we can get that information in the future, but I am going into the external affairs committee, where these estimates are to be reviewed, with the idea of getting as much information as I possibly can that is founded on absolute fact so that we can discuss these things intelligently at another time when these estimates are brought back to the committee of supply.

Mr. Bradette: Mr. Chairman, I appreciate the honour that the house conferred on me a few years ago when I was appointed as the first chairman of the external affairs committee. The same honour and the responsibility accompanying it were bestowed upon me again this morning as the chairman of the external affairs committee for the year 1950. Before proceeding further I want to pay special tribute to members of that committee in former years for the fine co-operation they have given on all occasions. A few days ago I asked the hon. member for Peel if he would again accept the appointment as vice-chairman of the committee, and I was most pleased when he said he would gladly do so. The fact that he is our vice-chairman means that, so far as the external affairs of our country are concerned, political aspects will not be involved in any way.

When the committee was first formed the former prime minister, Mr. William Lyon Mackenzie King, was secretary of state for external affairs. A few months later we found ourselves under the able guidance of the present Prime Minister. Now we are working under the enlightened and capable direction of the present Secretary of State for External Affairs. When the Secretary of State for External Affairs left a secure and responsible position to enter the hurly-burly of public life he made a sacrifice, but in answering the call it was the appeal of duty that influenced him most strongly. It is most fortunate indeed, not only for parliament but also for the whole of Canada, that he found it possible to accept the heavy responsibility of his department. One cannot help but mention his humility. I have seen him in action in the general assembly of the United Nations. I have seen him in action at Lake Success and Flushing Meadow. I have seen him preside over committees charged with grave responsibilities. I have observed his fine reflective mind at work, a mind in which everything is registered that is said at meetings lasting for hours. I have noted the great respect in which he is held by every member of the United Nations Organization. Not only is it a credit to himself but it is a credit to every citizen of Canada.

I also want to felicitate him and his delegation on the fine work they accomplished at Colombo and in many sections of Asia. Again he has represented us with ability and as a true statesmen. I believe in all instances he has reflected the Canadian attitude clearly and distinctly, and that it has been based on logic and wide experience. During the present session of parliament the whole of Canada has been impressed with the fine demonstration of his qualities of observation, his statesmanship and the heavy responsibility he has been carrying. His department probably involves the greatest responsibility of any department in the government today. Every word that he utters inside and outside the House of Commons must be based on logic, and must to some extent be circumspect. I repeat to the minister that he is doing a wonderful job and the Canadian people are proud of him.

I want to make a brief allusion to the statement of the hon. member for Peel about the information that hon. members should receive in the external affairs committee. The only instance that I remember where such a question arose was one that happened last year when some members of the committee requested that the ambassador to China should appear before it. Personally I was against it. Some members thought that we might have a sitting in camera, but I was against that. If there are questions in the minds of the Canadian people at the present time which require a sitting in camera, a meeting of a committee would not hold all those who would want to be there. In such a case the two houses of parliament should meet in camera but not the external affairs committee itself. I am expressing my personal opinion on the matter, and as chairman of the external affairs committee I would not take the responsibility under such conditions and circumstances.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

Mr. W. M. Benidickson (Kenora-Rainy River) moved the second reading of Bill No. 9, to incorporate Prairie Transmission Lines Limited.

Mr. Cruickshank: Explain.

Mr. Benidickson: This bill is practically the same as another bill, under the same name, which passed the Senate last session, but was not voted upon by this house, nor advanced to a committee of the house for further study prior to the closing of the last session. During the last session, information was requested by members of the house regarding the applicants for this private bill. Criticism was directed at the fact that some of the applicants for incorporation were members of legal

firms acting for the company desiring incorporation. It was suggested that more information should be supplied regarding the real applicants. The new list of applicants in this bill constitutes the only change from the bill presented last session.

The seven applicants, who will be the incorporating directors of the company, are all citizens of the province of Alberta. I believe they are known to many members of this house. They are associated with other prominent individuals in Alberta, British Columbia, Manitoba and Ontario, and they propose to maintain the ownership of this important pipe-line project in Canada. I am informed that they do not represent any United States corporation. These applicants are Canadian citizens who believe, as most of us believe, that Canadians are entitled to the fruits of the development of Canadian natural resources. Associated with them are prominent and successful engineers, as well as professional advisers. They have secured the support of investment bankers of substance, who have expressed their willingness to form a group to sell the securities required to provide the funds necessary for a project of this kind. The plans, and other aspects of the project, I believe could best be discussed in the committee on railways, canals and telegraphs, when representatives of the company would be available for questioning.

At the last session much time was taken by a few members of the house in general argument, so an opportunity was not afforded for examining in committee the merits of the bill or the plans of the company. Believing that the opponents of the bill had a full opportunity for expressing themselves in this way last session, I trust they will now permit a vote of the house, which will enable the committee to examine all matters in which the hon. members are properly interested.

The applicants for the incorporation of this company must have incorporation in order to apply to the various regulatory bodies for permission to build a pipe line to transmit gas from Alberta to the Pacific coast area in Canada and the northwest United States. I think it is desirable that I remind this house that this is simply a bill to obtain incorporation, in the same manner as charters were granted to the five other companies in the spring session of parliament last year. In that session, parliament also enacted a general Pipe Lines Act. Under this act, parliament gave the board of transport commissioners full power to regulate any interprovincial or international pipe lines. It is a requirement of that statute that any company proposing to build such a line must be incorporated by parliament. I submit that, parliament having so decided, it is the duty of parliament to deal with an application for incorporation when the applicants come here for parliament's decision. I say that parliament should now render a decision, yes or no. It is not good enough to intolerably delay a decision by unnecessary debate, which has been widely described in the press as filibustering.

After a pipe line company obtains incorporation here, it has to appear before several regulatory bodies. As I pointed out, the board of transport commissioners have been given jurisdiction so far as the dominion parliament is concerned. Under legislation passed in Alberta in July of last year, any company proposing to export gas from the province of Alberta must first obtain a permit from the Alberta petroleum and natural gas conservation board. In the third place, as we heard last session, there is an additional public control, in that any applicant proposing to export gas must obtain a permit from the Minister of Trade and Commerce, under the provisions of the Electricity and Fluid Exportation Act.

In this connection, I think it would be useful to briefly review the position with regard to this project, which I know has created a great deal of interest in the province of Alberta and in the House of Commons. The large discoveries of oil in Alberta in recent years have produced great reserves of natural gas. Providing a market for this gas will benefit the citizens of Alberta, and will bring about additional development of both oil and gas. The proposal to build a pipe line to serve not only British Columbia, but the Pacific northwest United States, is an important development for the future of western Canada. It should be noted that perhaps over 80 per cent of the output from any such pipe line will have to be sold in the Pacific northwest United States, in order to justify the tremendous financial cost of the pipe line itself. This will mean an extremely valuable source of United States exchange.

It is of primary importance, however, to see that the interests of Canada are protected in connection with this project. The announced policy of the government of the province of Alberta is to see to it that no export permit is granted until the interests, first, of the citizens of Alberta and, second, the citizens of other provinces of Canada are given priority. Moreover, the Minister of Trade and Commerce (Mr. Howe), in dealing with this very question during the last session, said this, as reported in *Hansard* at page 1560:

> . . . the attitude of the government would be that the export of gas would be treated in exactly

the same way that we treat the export of electricity, namely, that the needs of Canada would be served first, and would be protected in perpetuity for all export purposes.

Later in the debate, at page 1806 of *Hansard*, the minister said this:

Vancouver must be served before any considerable service is taken off for supply to the United States.

Now, Mr. Speaker, what are the interests of Canada in this matter? I suggest that the primary requirement is to see that potential Canadian consumers are provided for before any gas is exported.

Not only the supply of gas but its ultimate cost to the Canadian consumer must be considered. This is an important factor in determining the route of the pipe line. I am informed this pipe line project will cost about $100 million. To finance it, an assured market must be available, as all members will appreciate. Bonds to pay for the construction cannot be sold, unless a market for the output of the line is assured. Where is this market?

In the Pacific area it is said that 85 per cent is across the line in the United States, according to the information that is given to me from engineering sources, in the cities of Portland, Seattle, Tacoma, Spokane and the industrial areas of the state of Washington. There, natural gas must compete in price with other fuels such as coal, oil and electricity. The problem then is therefore to construct a line which is economically feasible and which thus will establish reasonable prices for the Canadian consumers in British Columbia, which is some distance from the source of supply. Obviously, the shorter the line, the cheaper the capital cost will be and the lower the overhead charges; also, if the line passes through centres of population, the tapping of the line at intermediate points cuts down the per unit cost of transportation.

For these reasons, I am informed, the best engineering advice as given to the applicants for this charter at an early stage was that a route which proceeded from southern Alberta, through Kingsgate into the United States, across the flat plains of the state of Washington, with a branch line to Trail, and terminating in the Vancouver area, would cost approximately $20 million less than the cheapest all-Canadian route. Thus more gas would be sold by Alberta producers, and the cost to the ultimate consumer in British Columbia would be less than through a more expensive pipe line route. I do not propose to vouch for these engineering details. I think that assurance in this respect can best be obtained by hon. members as a result of seeing the engineers themselves, through examination in a committee of this house. I think that wise counsel was given to us in this respect last session by the hon. member for Coast-Capilano (Mr. Sinclair) when he said, as reported at page 2103 of *Hansard* of last year:

The only place where that can be decided is before the standing committee on railways, canals and telegraph lines where expert witnesses, engineers both for and against the pipe lines, can be called and give members of parliament actual and not *ipse dixit* information. For that reason I, as a British Columbian member who yields to none in devotion to my province, say that I will vote for the bills on second reading if only to get them where they can be properly studied in committee. Unless very sound reasons are given in the committee why construction through British Columbia is uneconomic, I will vote against the bills on their return to the house.

Then at page 2104 he goes on to say:

But I say they should get second reading and go to the standing committee on railways, canals and telegraph lines if only to give the members of this house and the people of Canada knowledge of the facts rather than the opinions of members of parliament, many of whom obviously have very little knowledge of the engineering problems involved.

A great deal of discussion at the last session of parliament concerned itself with this question of route. The applicants for this bill desire to build the pipe line along the most economic route to protect Canadian consumers both as to supply and as to cost. If the government of the province of Alberta, or the board of transport commissioners, or the Minister of Trade and Commerce (Mr. Howe), under the Electricity and Fluid Exportation Act, decides that the route of the pipe line should proceed from southern Alberta through Canadian territory to the city of Vancouver before entering the United States, I am informed that the proposed company would be prepared to build the line along this so-called "all-Canadian route".

The whole question of the route of the pipe line cannot be settled, however, until all the factors mentioned are considered by the regulatory bodies which have to make the decisions. Considerations arise from time to time—and they have arisen—which may change the ultimate decision as to the proper route to be followed. Another pipe line project is proposed to take natural gas out of the province of Alberta eastward into Saskatchewan and Manitoba. The available fields of gas in Alberta will have to be allocated as between these projects, and this consideration may affect the starting point of the pipe line. Large additional reserves of proven gas may be discovered before any permit is granted to any company, and this also might alter the starting point of a pipe line route. Economic developments in southern British Columbia or in some of the large United States cities might similarly affect the desirable final choice of route. The competition of gas from other fields in the

United States, such as those in Wyoming, or of other fuels, may dictate the choice of the pipe line route.

When the government agencies concerned have weighed all these factors they will approve the route to be followed. Other things being equal, I am informed that the applicants for this bill will favour an all-Canadian route to Vancouver. As I said before, they are Canadians who have only the interest of Canada at heart, and have no United States interest to serve.

Before closing, Mr. Speaker, I just want to remind the house that there is in existence another charter giving rights with respect to the transportation of gas through a pipe line; and in this connection it should be observed that the Westcoast Transmission Company obtained a charter at the spring session of parliament last year, through a bill sponsored by the hon. member for Fraser Valley (Mr. Cruickshank). This bill was frequently referred to in the debates last fall and the company has been called the company proposing an all-Canadian route. As reported at page 2807, I think, of *Hansard* of last session, the hon. member for Fraser Valley said that he sponsored this company simply because it proposed to build an all-Canadian route. At page 2807 of *Hansard* the hon. member for Kamloops (Mr. Fulton) is reported as saying:

> When the bill went through last year we knew at the time the company was incorporated that the route would be all-Canadian.

I want to point out to hon. members, Mr. Speaker, as I did last session, that this company, Westcoast Transmission Company, has before the board of transport commissioners, and has never removed it, an application for a route comparable to the route that the engineering staff of this company, the Prairie Transmission company, and the Alberta Natural Gas Company, have indicated is probably at this stage the most economic route. I say therefore that it is obvious that parliament placed no restriction on the choice of routes by that company and that company has certainly not observed any such restrictions in its various applications.

The applicants for the incorporation of Prairie Transmission Lines Limited only seek to be placed in the same competitive position as Westcoast Transmission Company to propose whichever route is finally seen to be both most economical and most beneficial to the interests of Canada. No company should have a monopoly in this connection, and this is the view of the government of Alberta as shown by the telegram from Premier Manning to Senator Turgeon on October 17, 1949, which appears at page 1345 of *Hansard* of last year, and in which the premier says in part:

> The Alberta government is not opposed to the incorporation of the Alberta Natural Gas Company or any other bona fide company under the provisions of the dominion Pipe Lines Act, but on the contrary, feels very strongly, that no bona fide company should be refused incorporation if that refusal would deprive the province of its right to deal with any or all legitimate companies interested in exporting gas and would restrict such dealings to those particular companies favoured by parliament for incorporation.

Hon. members will have noticed that the leader of the Social Credit group from Alberta in this house stated, as reported at page 2113 of *Hansard* of last year:

> The Social Credit members in the house feel that these bills should be brought to a vote.

I think that most hon. members will agree.

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

Mr. Benidickson: Yes.

Mr. Cruickshank: I should just like to ask the hon. member for Kenora-Rainy River if the company he is sponsoring is prepared to abide by its application, and do as the other companies have done—agree to an all-Canadian route. Will they abide by that?

Mr. Benidickson: I have given the assurance, Mr. Speaker, that this company is quite prepared to build a pipe line wherever any of these regulatory bodies insist that it be built.

Mr. Cruickshank: I have one other question if the hon. member is willing to answer it. Am I correct in my understanding tonight, that the directors of the company he is sponsoring have been changed since the last submission.

Mr. Smith (Calgary West): Yes, they have some friends of mine on it, now.

Mr. Benidickson: I indicated that the applicants had been changed from solicitors of the company to those who will be acting directors at the early stages of the company.

Mr. H. W. Herridge (Kootenay West): Obviously some hon. members are somewhat impatient with the continuance of this debate on the pipe line bill. I do ask them to realize that the members from British Columbia who have spoken or will speak in this debate are giving voice to the opinions of the great majority of the people of that province regardless of party because, Mr. Speaker, this is a very important matter so far as the development of the interior of British Columbia is concerned.

Before proceeding I want to give some evidence to prove that the position taken

by many of the British Columbia members in this house is supported by public opinion in British Columbia. In my hand I hold a clipping from the Victoria *Times*, dated February 28, 1950, which is further proof of the attitude of the government of British Columbia. The article is entitled:

All-Canadian route for Alberta Pipe Line Urged

Lands and Forests Minister E. T. Kenney said in the legislature Monday, "we must do our utmost to see that the all-Canadian route is selected for the proposed natural gas pipe line from Alberta to the northwestern United States. Preliminary engineering had been completed for an oil pipe line from Edmonton to Vancouver following the same route as the proposed gas line—through Yellowhead pass, south through Kamloops to Princeton, along the Hope-Princeton highway, to Vancouver.

"This line is 725 miles to tidewater, and shorter by 350 miles than a line from Edmonton south to Montana and westward to Vancouver," Mr. Kenney said.

Based on present-day costs, he continued, the proposed oil line was shown to be entirely feasible from a construction, operating, maintaining and economic standpoint.

The minister listed six benefits from the proposed transmission of natural gas along the proposed oil line route through British Columbia: it would provide cheaper fuel; Canadians would have first draw on the supply; United States dollars would be spent for construction; Canadians would be employed in construction, maintenance and servicing; new industries would be attracted; as a national defence measure the line would provide vital fuel requirements to strategic centres on the coast.

In addition to that, Mr. Speaker, we know the opinion of the attorney general of British Columbia as given to this house by the hon. member for Fraser Valley (Mr. Cruickshank) on Tuesday evening last. Before proceeding, Mr. Speaker, I want to say this to the house: a good number of my constituents, regardless of party, have asked me to thank the hon. member for Fraser Valley for his efforts in these pipe-line debates.

I now wish to quote from the Nelson *Daily News*. The Nelson *Daily News* is the largest daily circulated in east and west Kootenay. As a matter of fact it is a Conservative paper. I read it, of course, although it is not favourable to the party I have the honour to represent. In this editorial the Nelson *Daily News* represents the opinion of people in those districts. The editorial is entitled:

For the All-Canada Route

British Columbia has a particular interest in the movement in Alberta to have the proposed pipe line for the export of natural gas to the Pacific coast laid through the Yellowhead pass in the Jasper area and thence southward through the Kamloops, Princeton and Hope districts to Vancouver. The alternative route—southward through Alberta into Idaho and then westward through Washington and southward to Portland—would be of little benefit in this province as far as natural gas is concerned, and would present numerous other disadvantages from which the Yellowhead pass plan of the Westcoast Transmission Company Limited is free.

The maintenance road that would parallel a pipe line from Edmonton through the Yellowhead pass to Vancouver would provide additions to the existing highway system that would be of great importance in future development, points out the Victoria *Daily Times*. The feeder lines that could be run off the main line would supply natural gas at minimum cost to communities in the southern interior of British Columbia which at present are not so served. A loop from Kamloops, taking in Vernon, Kelowna, Penticton and Trail, for instance, would open up facilities of great promise. The export market to Portland would still be served, but it would be a market to be supplied after the needs of British Columbia had been filled. The route through the United States would put Vancouver in the position of being able to expect only the surplus unused by the American market.

The advantage of spending the major portion of the $70,000,000 construction costs in Canada rather than in the United States, is, of course, immediately obvious, and the prospects of development for Alberta and British Columbia areas now isolated from transportation and fuel facilities are readily apparent. These are among the considerations of importance to the dominion, and particularly to its western provinces, to which it is hoped the Alberta petroleum and natural gas conservation board will give full weight in assessing the merits of the pipe line companies' applications now before it.

After returning home at the conclusion of the last session of parliament I had the opportunity to address a number of meetings of various types of organizations and groups. I had the opportunity to meet a good number of my constituents, and I was then more firmly convinced than ever that the people in the southeastern portion of British Columbia are very anxious that members representing British Columbia stand up for Canadian rights in this matter.

The public opposition to these bills from British Columbia, which we are simply expressing in this house as members of parliament, is based entirely on the belief that Canadian communities and Canadian requirements should receive first consideration. Once we are assured that these requirements will receive first consideration our objection to these bills will be dropped.

In passing I might say that, belonging to the party to which I do, I would prefer that these pipe lines and gas lines be publicly owned utilities. We know at this time that we cannot give effect to our policies on this matter in this house at this time. Therefore we are doing our best to protect Canadian citizens, and British Columbians particularly, by advocating that Canadian requirements and Canadian needs receive first consideration.

I represent a constituency in the interior of British Columbia, namely, Kootenay West, which has vast natural resources, untapped natural resources, and which still requires great power developments to utilize these resources. I have grown up in that district from boyhood. I have seen the district

developed from the pioneer stage to what is, shall I say, a semi-pioneer stage. We have in that district great developments in mining, lumbering and in smelting; but if we are going to have a balanced economy we require secondary industries.

In order to understand the point of view of the people I have the honour to represent I am going to place on record a few illustrations of the situation as it exists in my constituency. I know other members representing other constituencies in British Columbia will apply their local conditions to these pipe line bills.

As I said before, we have large mining, smelting and lumbering developments; but for years boards of trade, farmers organizations and other public bodies have realized the necessity for the development of secondary industries and have urged the necessity for the establishment of a pulp industry in the interior of British Columbia. They have urged the necessity for the establishment of a steel industry. So important is that to the interior of British Columbia, so important is the establishment of those industries and secondary industries that the British Columbia government has had a representative of the provincial department of trade and industry resident in Nelson for three or four years, whose sole duty has been to make a complete survey of natural resources and of industrial opportunities, power opportunities and possibilities for power development, and then to interest outside capital, industrialists and others in the possibilities for the development of secondary industries in that area.

Power is the great question which enters into industrial development in this age. We have our largest power development on the Kootenay river. The greater portion of that power is used and required by the Consolidated Mining and Smelting Company. Some of it is used for domestic requirements in the city of Trail and for other industrial needs in the southern Okanagan. Then, we have the city of Nelson served by the Kootenay river.

In addition to that we have some smaller electrical developments throughout the district serving the smaller villages, towns and cities. At the present time we have under development a large power project on the Arrow lakes at Watshan. Most of that power will be required to serve the northern Okanagan.

There is a great shortage of power for industry. We have one more great possibility for power development in the immediate future, and that is on the Pend d'Oreille river. That power will also be required by the Consolidated Mining and Smelting Company. So, in the future we foresee a continued shortage of power. That is one reason why the people in my constituency are so interested in these pipe line bills, and are so concerned about the service they should receive from an all-Canadian route.

During the latter years of the war, and shortly thereafter, an extensive survey was made of the industrial possibilities of the Kootenay area. As I said before, we have an opportunity for the establishment of a pulp industry. I believe we have one of the largest stands of pulpwood in North America, in the Columbia river basin, close to transportation. But we cannot establish a pulp industry in that area, even if capital were available, because there is not sufficient power to operate a pulp industry at the present time.

There is also a desire for the establishment of an iron and steel industry, because we have coal and ore. According to a report by the government of British Columbia there are 25,500,000 tons of tailings at Kimberley which have a 47 per cent iron content and a 27 per cent sulphur content. We have the other minerals and materials required to develop a steel industry; but that steel industry cannot be developed until we have the necessary power.

In addition, it has been suggested that we require a corrugated sheeting plant as a secondary industry in the interior. We supply a large amount of white pine, manufactured in blocks from the west Kootenay area, for the manufacture of matches by the Eddy Match Company Limited. We produce the sulphur for matches at Trail, in my constituency. In total we produce some 5 million feet per year of white pine in the form of match blocks which come to Ontario and other match factories for manufacture into matches. We believe we should have a match industry in Kootenay West, in the southeastern section of British Columbia, so that we would not be paying freight on pine and sulphur to and from Ontario, when we have all the materials required to manufacture first-quality matches there. I can see an hon. member from Ontario, who is in the lumber business, does not appear to agree with my suggestion.

We have clays of various types which make it possible to develop a brick and earthenware industry. As a result of research these facts have been established but, here again, we have not the available power. We have large quantities of birch, cottonwood and other types of timber on which could be based a very satisfactory veneer industry—again, use for power.

We have opportunities particularly for the establishment of shingle mills and additional small saw mills. But the big bugbear which

confronts the man who opens a saw mill or a shingle mill, or any other small industry of that type, is power.

That is one of the reasons so many people in my constituency are interested in this development. We want a dehydration plant to take care of some of the surplus fruits, particularly apples, in the district. We need jam and canning factories. There is a great opportunity in that area for the development of a modest jam and canning industry. We have also an opportunity for the development of a plastics industry, and for the development of a very substantial furniture industry, because we have large quantities of those woods required to produce high-class furniture.

But these secondary industries will not be developed and cannot be developed in one district until we have the necessary power. Years of effort have been put forth by the people in Kootenay West in studying plans for the development of secondary industries. These efforts have been supported by the major industries, including the officials of the Consolidated Mining and Smelting Company, the owners of the larger lumber companies, the owners of mines and others, all of whom agree that if the whole community is to have a stable foundation, secondary industries must be developed. That is why this considerable and continual research has been carried on, and why there has been investigation into all aspects of the possibilities for developing secondary industries.

In view of the present shortage of power, and the likelihood of its continuing for years to come, is it not easy to understand the attitude of the people I represent when they see the possibilities of Canadian natural resources by-passing their district, and going into the United States to serve areas in that country first?

The oil and natural gas industry is a tremendous one. One has only to read newspaper reports, magazine articles and books published on the subject to realize that this is a big and profitable business. While it is immensely profitable in the operations end according to the balance sheets and reports that are issued in the United States, there have also been immense fortunes made simply by obtaining charters from legislatures and then selling them to other companies and benefiting by the advantage created by the charter.

There are those who say: Would you have a monopoly? I think we all know that if it is going to cost approximately $100 million to build this pipe line from Alberta to the Pacific seaboard there are not going to be two or three companies building pipe lines. If you examine the network of pipe lines in the United States you will find that there is a monopoly in each area served. No one will invest such large amounts of capital in a section where someone else is already operating. A pipe line is in the nature of a public utility and from the very nature of things must develop a monopoly, like other service industries.

It is argued that those who speak against these bills are supporting a monopoly because if all these companies get charters there will be three pipe lines built. We know that that is absolutely not true. Before concluding I should like to quote from an article in *Fortune* of December, 1949, entitled "Natural gas—Whoosh". If anyone is interested in the subject I shall be only too glad to let him have my copy because it is a most interesting article on the development and financing of natural gas pipe lines in the United States. This article reads:

> Just for the sake of argument, consider the type of business that should excite the interest of investors these days. First of all, the product of the business would be a household necessity, selling at a price practically everyone could afford. Second, the product would serve a major general purpose in commerce and industry, and would have other specialized industrial uses that were growing in number and importance all the time. Third, for its principal uses it would be better and cheaper than competitive products. Fourth, it would embody a minimum of labour cost, and hence a minimum danger of supply interruptions due to labour trouble.
>
> This ideal business would have a market outlet guaranteed for, say, twenty years; sources of supply guaranteed for a similar period, at prices agreed on in advance; and a huge, unsatisfied demand that would open vistas of indefinite expansion. The business would be largely depression-proof and would operate under conditions that virtually assured an ample return on invested capital. Finally, the securities of the business would offer strong speculative attractions.
>
> Whether any such ideal business exists no one can say with certainty; but a great many people thought they saw it in the natural gas pipe-line business—enough, indeed, to make natural gas the 1949 darling of Wall street.

Before continuing with this quotation may I say this: While those whose names appear in this bill may be residents of Alberta, I would wager one hundred to one that the financing will be done in Wall street, New York. The article continues:

> Their estimate as set forth in the foregoing paragraphs, explains many things. For example, it explains the high stakes at issue when the Senate, under pressure generated by the natural gas industry, recently rejected President Truman's renomination of Leland Olds to the federal power commission, the body that regulates interstate pipe lines. It explains why strong men are weeping and gnashing teeth in a battle of pipe lines to reach and serve the virgin New England market, and why important New England interests have cast aside their putative dignity in the scramble to participate. It explains why great insurance companies are investing hundreds of millions of dollars in

natural gas pipe line companies (Metropolitan alone has invested $345 million to date), and why an investment trust was recently formed to specialize in natural gas securities. It explains why fortunes have been made on the promotion stock of new pipe line companies, and why common stock prices of the business have moved upward in the past four years, far ahead of the Dow-Jones industrial averages. It explains why the net profits of the business average nearly 20 per cent on sales, and why nearly every natural gas pipe line company is expanding furiously.

And again:

The fact is everybody and his grandmother want natural gas in a crescendo of demand that is insatiable, incalculable, and, in all likelihood, unsuppliable. United States enterprise capital, which regards a crying need much as nature regards a vacuum, has rushed in to fill the demand. Yearly capital expenditures of the natural gas industry increased twelve-fold between 1939 and 1948 (compared to a four-fold increase for all private domestic investment), and are now approaching a billion dollars a year.

And finally:

The Pacific north-west, which is now entirely on manufactured gas, also provides a large potential market for natural gas, but is left out of this calculation because it will probably pipe in its gas from the newly discovered bonanza field in Alberta, Canada.

An examination of a map of the United States showing the development of pipe lines indicates that the eastern and southern states are well covered, as well as California and the gulf area. But we find that the north-western corner of the United States is not served with natural gas or oil and, as this article mentions, that section is looking to Canada for its natural gas and oil. In view of the enormous demands in the United States for oil and gas, in view of the fact that the northwestern portion of the United States must obtain its gas from Canada, is it natural to expect that, if permission is granted to export gas through Kingsgate into United States territory, Vancouver or other portions of British Columbia are going to get satisfactory service?

We are very concerned about this because the people we represent are concerned about it. Therefore we oppose the passage of these bills because we believe that Canadian natural resources should first serve Canadian communities and Canadian needs. We believe that Canadian labour should profit from the development of this pipe line industry. We believe that Canadian industry should profit from the sale of the materials required to build these enormously expensive pipe lines. We believe that the treasuries of the governments of British Columbia and Canada should benefit from the continuous taxation which will flow from the building of these pipe lines on Canadian soil.

Therefore, as a member speaking for his constituents regardless of party, C.C.F., Conservative, Liberal or otherwise, I intend to vote against these pipe line bills until we are assured that Canada will be served first.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I congratulate the hon. member for Kenora-Rainy River (Mr. Benidickson) on the able manner in which he has explained this bill. In fact, I think he has explained it so well that he has almost converted the hon. member for Fraser Valley (Mr. Cruickshank). I support this bill. We have considerable unemployment in this country. There are people who think we are heading towards a depression. Nevertheless here is a company ready to spend $100 million for the development of the natural resources of Canada. Why muzzle them?

Mr. Arthur Laing (Vancouver South): Mr. Speaker, I have no desire to delay a vote on this measure tonight, but I should like to say a word or two. I believe it is somewhat unfortunate that it is necessary for these corporations to come to this house in the manner in which they do because the only justification for our viewing their applications would be the greatest measure of broad objectivity that we could give them. I may have very little insight into the proceedings of this house, but I have seen little of the spirit of objectivity in the debate on these measures last fall and during the present session. I think that is essential if we are going to view them in their proper light. I am of the opinion that if we persist in our attitude of insisting before the incorporation of a company that a pipe line must take a certain route we will wind up without any pipe line at all. I think the stage will arrive when we will have an opportunity to call experts on this matter, and that will be when the bill is referred to a committee of the house. These are technical matters, and we will have an opportunity then to call experts in order to ascertain whether an all-Canadian pipe line is economically feasible or practically possible.

I think we can place great reliance upon the government of Alberta and their conservation board to look after the people of their own province and the other provinces of Canada. I think there is a statute on the books at the present time having to do with the export of such commodities. I am quite certain when the measure is referred to a committee we will have a better opportunity of impressing upon the Minister of Trade and Commerce (Mr. Howe) the advisability of protecting the interests of Canadians first before export is made to the United States. I think we are in no position at this time to

say that these companies must not be incorporated until they can guarantee a certain route. If we proceed to the committee stage we will be placed in a position where we can call experts, and we will be able to criticize these bills and the provisions and plans of the various companies with knowledge in our possession which we do not now have.

I think that hon. members who have taken part in the debates on these measures last fall and at the present session have done the public a service in bringing to their attention the tremendous assets of the province of Alberta. We in the province of British Columbia are determined to co-operate and participate in the terrific development that is going on in their marvellous province, which I contend has the greatest assets today of any province in Canada. I was glad to hear the sponsor of the bill say that his company proposes to build an all-Canadian route if it is shown to be practical from an engineering point of view. I think the people of British Columbia would much prefer that that be done. In that respect I agree with other members who have spoken. We have a centralized area in the province of British Columbia. Within greater Vancouver we have sixty-two per cent of the population of the province, and the city is only sixteen miles north of the United States boundary. The great concentration of people in that one area leads to some of the problems and troubles we have at times in regard to unemployment. We want diversification of our industries in the province. Of course we do, but I am afraid, so far as these bills are concerned, unless we use that broad objectivity to which I first referred, we will find ourselves winding up without any pipe line at all.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, like the hon. member for Fort William (Mr. McIvor) I should like to congratulate the sponsor of the bill, but my congratulations are in a little different vein than his. I should like to congratulate him on making a very good speech about a very poor case. As indicated by the sponsor, the bill is the same one as was brought before the house last year with the exception of a few minor changes having to do with the men who appear as incorporators. When the bill was introduced last year those of us who opposed it really only asked one thing. We asked that the people who were asking for incorporation should include in the measure the route which the pipe line which they were proposing to build would follow, and that it should be an all-Canadian route. I indicated personally at that time that so far as I was concerned, if that were done I would withdraw all opposition to the incorporation of this company or the other company concerning which a bill was before the house last session and again in the present session.

Surely that is not a great deal to ask. If these companies had done that before coming back to ask for incorporation this year I think they could have been assured of the bills passing almost immediately. It was on that ground alone that we took exception to them, and naturally continue to do so. The bills have not been changed, and for the same reasons those of us who were opposed to them last session are still opposed to them. It was pointed out at the last session, and I should like to reiterate it now, that a mistake was made when the governing pipe line bill was passed, in that provision was not made therein that a company applying for a charter for a pipe line must specify the route it wishes to follow, in the same way that a railway company applying for a charter must specify its route. Our contention was—and I think it is absolutely sound—that in this regard pipe line companies should be put in the same position as railway companies, and that the route must be specified before a charter will be granted. No railway would receive any consideration which applied to parliament and merely asked to build a railway. They would not be incorporated. They would have to say where they were going to build the railway, and certainly the same procedure should apply to pipe line companies.

On motion of Mr. Harkness the debate was adjourned.

Mr. Speaker: The hour reserved for private bills having expired, the house will resume the business that was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

64. Departmental administration, $2,378,880.

Mr. Bradette: Mr. Chairman, I must confess sincerely that I speak with all humility and with some trepidation concerning the estimates of the Department of the Secretary of State for External Affairs. When we enter the national forum, the House of Commons, and realize all the difficulties that we in Canada have to face in solving the problems of dominion-provincial relations, for example, which are of most active concern to us at the present time in our national life, then it is easy for us to realize the difficulty we face in discussing external affairs, international problems and foreign relations. We

cannot be dogmatic in these matters because, to some extent, we are dealing in the abstract. We cannot be definite, either, because the international situation is so fluid that it changes almost from hour to hour, or at least from day to day. It is, therefore, impossible for the Department of External Affairs, any member of parliament or any person in public or any walk of life to express an opinion and be positive that that opinion will hold good tomorrow as it does today.

This afternoon the member for Peel described, vividly and eloquently, the advances of science in the past few years. As a result of these advances, this world has shrunk and distances have practically disappeared. This situation should have brought a message of hope to the whole world, but what happened? Instead of having that one world, we now have two worlds. Most of the citizens behind the iron curtain might as well be on another planet as live in this world because they have no access, politically, culturally, personally or in any other way, to the other two-thirds of the population of the world. It is a monstrous thing, a thing that all the democratic peoples, and I believe the people behind the iron curtain as well, absolutely deplore. It is a sad thing to realize that in this year 1950, with all the advances we have made in civilization, in culture and science, there are countries like Russia, Czechoslovakia and Poland, just to name a few of them, that have discontinued all communication with the rest of the world. Almost everyone realizes the seriousness of the situation.

It is not the fault of the democracies. No matter what we may say or how long we may argue, I know the Canadian government, the British government or the government of the United States would not stop an individual Russian or groups or any citizen living behind the iron curtain if he wanted to visit one of these countries. In fact, if the Russian government were to say to the Canadian government tomorrow that a party of 200 young students wanted to visit our universities I know the gates would be wide open to every one of those students. At the same time, if we wanted to send some of our businessmen or men in public affairs to Russia, it would be impossible for them to make the visit. It is easy to visualize the wall which really exists between these countries.

This afternoon we have been theorizing about ways and means of destroying that wall. How could it be done? So far as our side is concerned, there is no wall. There is nothing put in the way of those people who are behind the iron curtain if they want to communicate with us. All we desire is that those people should be able to intermix with the other peoples in the world. One of the members has said that the democracies must see to it that the people have access to all the comforts of life. This is quite true. No one can quarrel with that statement. After all, we have reached a stage in our civilization when we should be ready to conceive that there should be no preferred class. The so-called good things of life should be available to every segment of society. We are not responsible for the present situation because freedom from want cannot exist in a world which has no freedom from war or the fear of war. This section of the world is not responsible for the fear of war. Our country has never waged a war of aggrandizement. We have participated extensively in the two great wars, but we have never asked for any territorial or maritime aggrandizement. We do not want the pound of flesh from anyone. All we want is to save and preserve the principles of democracy, freedom and Christianity. The same is true of the United States, South America, and all the democracies in the world.

We must be careful not to go too far, and to talk only of the benefits of our way of life, because if a democracy can give comfort and access to the good things of life, then some responsibility and obligation devolve upon the people living under such a system. There is a responsibility towards their brother man. People must sacrifice some of their own prerogatives and comforts for the sake of the whole. When we hear that the adherents of communism are men who have suffered deprivation, that is only partly true. How any English or French-speaking Canadian or a naturalized Canadian can be a communist is beyond my comprehension. How can a man, worthy of being called a Canadian, follow directives from the old czarist imperialism under a new disguise, whose spearhead is in Moscow? Study what happened in the espionage cases, and then ask yourself whether those people were downtrodden or needy. No; they were people in high places to whom this country had been good. All hon. members recall reading in the press about the case of Mr. Fuchs. That man had the confidence of Great Britain, the United States and Canada. He has held some of the highest and most responsible offices those countries could give. Surely that man was not suffering from want. He could have no quarrel with our way of life. That man certainly never missed a meal unless he wanted to. Again I say that we must be careful if we believe that communism is spread only in areas in which there is poverty. This is only partly true. Look at those who head the communist movement in all countries. Again I ask, how can any Canadian be a

communist and be a traitor to his country? How is it that some young, intelligent Canadians will leave Canada, the country in which their forefathers lived, and go to that university in Moscow where they get their minds and souls polluted with poison against their own country? It is beyond my understanding.

I cannot see how any of the citizens of my own mother country, dear old France, can be communists. For centuries that nation has led the continent of Europe in the arts and sciences, and has contributed to the cultural attainments of the whole civilized world. In France today you are faced with a group of people who would stop the gifts received through the Marshall plan. How can they look at themselves and say they are worthy of the soil of France? There are men in France, however, who have been taking directives from Moscow for the last 25 years of their political life and are ready to be traitors to their own motherland.

As the results of the British election have been received here, most of us have been glad to note that the communists only received something like 65,000 votes. This is typical of Great Britain. I cannot see how a man of Scottish, Irish, English or Welsh descent, any one of those fine groups of people in those tight little islands, who have created one of the finest empires that the world has ever known, could be a communist. Great Britain has given freedom to many people and many nations and lately we have had the example of India and Pakistan. It puzzles me how a man in Great Britain, who thought anything of his ancestors, could go to that infamous university in Moscow which spreads poison in the minds of our youth and not be ashamed of his actions. I congratulate the electors of Great Britain upon what they did during the last general election, about communism.

I believe the same principle applies with equal force to the republic to the south of us. How is it possible for an American, who is worthy of the name, to belong to the communist party in the United States? This great nation has contributed towards development in science, industry, yes, and in prosperity which has been an example to the whole world—a nation that has the highest living standard in the whole world.

There are some men who call themselves Americans who follow the directives from Moscow and the communist party. Can anyone comprehend such a degenerated state of mind? Again I must confess to you, Mr. Chairman, that I cannot understand citizens of that type. It is absolutely beyond my comprehension, because an American, a Canadian or a Frenchman worthy of the name will never follow the brand of imperialism propounded for centuries by the czarist regime and which at the present time they are using in Moscow under the name and disguise of communism to spread into the other sections of the world. The same thing applies to Italy, a fine nation descendant of the Roman empire, a great blending of the Roman and the Greek civilizations which even in their days of centuries ago produced some great seed of democracy and freedom. No Italian worthy of the name will follow the dicta and dictates of Moscow. They have nothing in common, whether it is in civilization or in culture. These men—and I repeat it from this forum—are not worthy to be called Italians. I say that definitely.

When we speak of communism today, we realize that it is more than a political ideology. It is the old virus that has infested European politics for the last six hundred years, in the czarist regime, even prior to Peter the Great, and which has been trying to spread its tentacles into every section of Europe and Asia; and why the people outside Russia will play into the hand of that great imperialistic ideology is something that is absolutely beyond my comprehension.

Then as to Greece, that fine old civilization with which everyone is familiar. How grievously Greece has suffered. In the studies of our youth at the universities and houses of education at least one-fifth of our education is based on the old philosophy and reasoning of the Greeks. For nearly six years we have seen the sad spectacle of Greece fighting to save her own soul and her own sons. Some of the sons of that great civilization receive their direction from Russia, to foul and destroy their own country.

What about China? I am no prophet or son of a prophet, Mr. Chairman, but I am going to make this prediction. Before fifteen years have passed, China will penalize Russia, because China has many scores to settle. We must visualize this fact. China, an Asiatic nation, always considered Siberia as an integral part of the Asiatic continent; and she always resented infiltration into Siberia, whether it was by politics or by force of arms into Siberia. How could the Chinese government, or Mr. Mao or the Chinese people take their directives from communistic Russia? What about Manchuria? Is Manchuria not an integral part of the great nation of China? What about outer Mongolia? Again these terrible claws of communism have taken hold of outer Mongolia. What about inner Mongolia? That again is an integral part of Chinese Russia. What about Tibet? It is true that Tibet wants to remain independent, but at the same time you can see the communist bear preparing to put one of its claws on that

fine little nation. In their present turmoil the Chinese people may not see very clearly the situation as it exists with regard to their aspirations and the integrity of their own soil; but the day will come, and I believe it will be soon, when even Mr. Mao and the leading Chinese will realize that there can be no real friendship between them and Russia, and they will use all their might to shake the Moscow yoke. It is true that in the past history of China some European powers have in some instances violated the sacred soil of that great nation, but no nation went half-way or one-tenth of the way, as Russia did against the Chinese and against the Chinese nation.

In a discussion of that kind it is hard to choose and develop a special subject; but at the same time I believe this is the time and place to mention the economic war which now prevails and which we deplored after the war of 1914-18 but which has become almost as greatly accentuated after the second great war. I speak of trade restriction and of tariff walls between the nations even outside the iron curtain. Two or three years ago, speaking in these precincts, I made the statement that I hoped fervently that the day was gone when, on the frontiers of the democracies, there would be an economic war. There is today to a certain extent an economic war between Canada and the United States, because if you want to sell or to buy, in many instances you find some restrictions; you find, in many cases, a tariff which is irritating not only to our national economy but also even to the economy of the United States. It has been refreshing to every Canadian to note what it meant in the civilized world when they heard the statement made a few weeks ago by Mr. Paul Hoffman, who is director of ECA, that he wants 270 million Europeans to buy freely from one another. That is revolutionary. I am reading the heading from *Life* magazine. There is a message that carries great import and also some lessons with regard to the American nation. As a citizen of this country I can say that there have been many occasions when I have been baffled in my own mind when that great republic to the south of us, although we have always been their best customer, found it expedient—I am speaking of the past, not of the present; and I am speaking of the matter of tariff restrictions—to slap the Canadian nation in the face. Today, with regard to the Marshall plan, the United Nations is doing something that has never been done before in the world; because no matter what we may say, when we in Canada wish to help Europe make some gifts, to some extent we take something away from our Canadian people; and to a larger extent the same principle applies to the Americans.

Is the great United States going to make the same error it made after war No. I? In those days the economists of the United States expected that Great Britain, France and the nations in Europe would be able to liquidate the debt they owed to the United States without selling to the United States. The thing is absolutely impossible. When Mr. Hoffman, quite rightly, asked the European nations to destroy the walls which really are evidence of an economic war between the European nations—between Belgium and France, for example, between France and Italy, between Germany, Holland, Luxembourg and many other nations—he is speaking as a man of logic; and he knows in his own mind that even the American nation has suffered itself because of some of the restrictions which they applied so strictly and so vigilantly in the past. If we maintain an economic war, there is very little chance of its being entirely successful even on our own side, because there is always a price to pay when you stop the natural flow of commerce and finance of the countries of the world. You cannot get away from that fact. After world war I—and I know whereof I speak because I have relatives who still live in Normandy—the French government was bonusing the French farmers for producing wheat which cost the French government twice as much as it would have cost to buy from Canada. That was not good economics then; it cannot be good economics now. Even in this country we can learn something too. At the present time we hear that if we import certain lines of goods from Great Britain, some of our industries may suffer. Let us be fair about the matter. I do not believe that they will suffer grievously—if we try to understand one another—if we try to make trade a little more free than it is at the present time. I am not speaking as a free trader, but of freer trade, and I am speaking of some of the anomalies that have existed in Europe and in the Americas for the last four years and to some extent at the present time, and present a dangerous situation indeed, which, unless it is dealt with diligently and intelligently, may be the causes of great disharmony and friction even among friendly nations.

Surely experience should have taught us to be reasonable, to try to see the points of view of the other nations. No doubt hon. members have read an article which appeared in *Reader's Digest* of February last, I believe it was. At the present time, as hon. members know, they are erecting in New York a huge building for the United Nations, which is being financed actually by the United States treasury, but which will be eventually paid for by all of the nations that belong to the United Nations Organization. They have not

bought any material from outside the United States. I do not say that in a critical way, but I am just mentioning things that should be mentioned among friends. When we talk of an Atlantic pact we should also talk of an economic pact between all these nations so that it will be possible to deal more freely with each other than we do at the present time.

We have more than that. In the building of the United Nations we have the spectacle of the marble coming from Vermont in the United States. As you know, some workers said they were not going to use it in the building because it was not polished in New York. This shows you what is going on in our own sections of the world. Things like these are non-existent on the other side of the iron curtain, but we do not want the conditions that they have, though on that score we may learn something from them. There the leaders dictate to the people. The people are doing things about which they have no say. When they reduced the value of the ruble over 60 per cent a few years ago Russian soldiers, Russian farmers, all the Russian people had nothing to say about it. Overnight they lost practically all their savings. We do not want conditions like that to come to the civilized democracies of the world, but at the present time our own world must of necessity know of the dangers that exist so far as an economic war is concerned. There is always some danger in a tariff war, and it generates friction and apprehensions. No matter how we look at it, there is always an element of an uneasiness because there is not the free interchange that there should be between the nations of the world. If we do not buy more from Europe the situation will not get much better in the United States or Canada. When you come to think that only $1 billion more worth of goods bought from Europe would make all the difference in the world to those nations while the national production in the United States represents over $60 billion of trading you can readily understand what a small minority group or irritating tariffs and restrictions can do to the national and international economy, and to all intents and purposes we must try to avoid those circumstances, and causes of friction and restricted trade.

Speaking of the two worlds and the dangerous situation that exists at the present time, I cannot do better than to quote the words of the present Secretary of State for External Affairs in a speech he made three years ago in the city of Montreal:

> The greatest menace to peace today is this division of the world into two basically opposed forms of society; a division which transcends all national boundaries. One form which respects the dignity and decency and liberty of the individual and in which government is justified only by the contribution it makes to his welfare; the other, in which the individual is nothing but a mere cog in an inhuman machine, where there is no rule of law, and where the omnipotent state moulds the man into conformity with the mass, and if he will not so conform, crushes him.

I want to say a few words about the United Nations Organization. There have been some criticisms of its achievements. As far as I am concerned, studying all conditions under which it has to work starting from San Francisco, I have only words of praise for that fine world-wide organization. It is true that, like the old league of nations, human ambitions, nationalistic ambitions, and nationalistic interference are also playing their role and stultifying and fouling some of the activities of the United Nations Organization. Let us visualize for one single moment that tomorrow, for instance, if tomorrow we could have co-operation from the Soviet republic as we get it from the other nations of the United Nations and her satellites. What a difference it would make immediately in the whole world, to every nation of the world, if we could get that co-operation.

I had the honour to represent Canada as a delegate to the United Nations Organization. At the general assembly we knew beforehand what the vote would be. We knew it would be six or seven or eight at the most. It would be Soviet Russia with her satellites, no more and no less. Every time that any democracy brought anything forward for the good of mankind as a whole we were sure what would happen so far as the Russian delegation was concerned.

I believe it was the hon. member for Peel (Mr. Graydon) who said very feelingly and very sincerely that he would like to see the heads of the countries of the world get together around the conference table. I agree with him to some extent, but I believe that the initiative should come from Mr. Stalin. He has never left Russia as far as we know, certainly not since the war has been over. Surely all the heads of the democracies have shown a willingness to meet the leaders of Russia in any section of the world.

There is one man today who could give the greatest measure of hope to the whole world. If tomorrow Mr. Stalin would say, I am inviting the heads of the countries of the world to come to Moscow and discuss together for two or three weeks the matter of peace in the world, it would be the greatest step toward peace that the world has known in the last six or seven years, and that message would be received with great jubilation by all mankind.

Let us not fool ourselves about that situation. You cannot deal with an adder just as

you can with a walking stick. There is too much danger in an adder; it will poison you. You cannot be passive with it. Nation after nation, diplomat after diplomat, delegate after delegate have all spoken on this subject at the United Nations. Some outstanding men from Great Britain, from France, and from the United States and many other nations went over to Russia time and time again, and in many instances they came back with words of hope coming from the lips of Stalin himself. They did not have their backs turned, were not back in their own country, before the word of the head of one of the greatest nations of the world had been thrown into the wastepaper basket and deliberately repudiated by his actions. Can you deal with men of that calibre? Can you expect that they will change their ways?

I repeat, even if we have to go to Moscow, the message must come from the leaders of communistic Russia and from her satellite countries. We have made some errors, but they certainly have made some terrible mistakes. We have to co-operate with them, but they have never given a single sign of wanting to co-operate with us. We know that war is no good, that it practically never solved anything. We know that war No. 1 was a calamity to all participants. We know that war No. 2 has not solved any problem; in fact it has accentuated the older problems and created numerous new ones. Surely the heads of states in Soviet Russia, precisely as we do in the democracies, realize that another war with the new terrific equipment of destruction that human inventiveness has created might mean the end of civilization as we know it. Do we realize for one single moment, when we see fifty planes flying through the skies of the United States or of Russia, that they could destroy ten or fifteen million lives? We do not realize the import that there is in this message. But not satisfied with the present ravages that could be caused, human inventiveness is creating at the present time a bomb which it is said will have a thousand times the power of the atomic bomb. Therefore even the winning nation of the next war will not benefit in any way because it will have in its possession a devastated world in which the problems we are facing at the present time will look absolutely puny and insignificant in comparison with what they would be facing then.

In a few months, and perhaps two years at the most, they will be opening up new quarters for the United Nations in New York. During the last war, I believe in the year 1943, *Life* magazine sent some of the best United States artists to depict the scenes in the Pacific field of war where, with the help of Australia, the Americans were able to come back step by step and eventually crush the enemy which almost destroyed at least a part of the great nation's navy at Pearl Harbor. It was a terrific struggle, when tens of thousands of young lives were nipped in the bud, young boys who had no quarrel with the world, boys in the prime of life, thinking of love, thinking of home, thinking of their parents, thinking of their wonderful country, of their future, just at the threshold of life with all its hopes and enchantments.

They were fighting thousands of miles away from their homes, under the most horrible climatic and other conditions to which human beings could be subjected or under which they could fight. While I have not the issue before me, I did see in one issue of *Life* magazine a portrayal by artists of what happened in the raw, the horrifying disaster which befell thousands of young men who were pulverized on the shores of some of those islands, when they were jumping from one point to another so as to reach Japan and the Asiatic continent. I saw where corpses lying for days on the beaches had become bloated up to three or four times their normal size. One could see the wounds, with the blood gushing from them. One could see the long rows of crosses which marked the end of the lives of those who had been lost while fighting for freedom and democracy.

And I am reminded particularly of those in Great Britain who lost their lives, and the great sacrifices that all the people had to make. As a Canadian of French descent I was sometimes sceptical of what was described as the bulldog spirit of the British people; but I implicitly believe in it now. Because when you found the people on that tight little island holding the fort against the hordes of barbarism, holding it with the rampart of their human flesh for over a year, then you had to believe in British leadership and the British bulldog spirit.

I would want those who are responsible for the construction of the new buildings which are to house the United Nations Organization to be free to ask artists and sculptors to depict in marble, stone or granite, works of art to be placed right below the rostrum in the general assembly, scenes which would remind us of that great loss of life for the sake of the world and to make it as lifelike as possible. Because those boys —Russian, German, or Canadian—boys from all the armies, had no quarrel with anyone. They were all young, in the prime of life.

I am reminded of having watched the trooping of the colours by our young boys in the R.C.A.F. during the last war. They were fine and clean-cut. And I saw them coming up to parliament hill. How fine they

looked! How full of life and hope they appeared to be! They were wearing the blue uniforms of the Royal Canadian Air Force. And as I watched them I said to myself, "How many of those fine boys will never see their homes again! How many mothers and fathers of those lovely youth of Canada will never see their sons again—because they will be dead!" I wondered how many of those lives would be lost away from Canadian soil. None of them had any quarrel with other nations of the world; in fact, no quarrel with anyone. But they answered the call to do their duty.

I say that, if possible, in front of the rostrum, in a special place, we should have in that United Nations building evidence of those thousands of mutilated cases, representing our boys—and our women, too—who lost arms or legs or who have been maimed for the rest of their lives. Perhaps some of them would go there and take their seats, before the commencement of deliberations in the assembly and remain there so that all nations in the world would realize the great price of war. No one could fail to see and understand evidence of this kind. Perhaps we should have there some mothers, perhaps we should have some wives who lost their young spouses, who never saw them again—young wives who to their last days will weep their eyes out because they lost their husbands in those times of tremendous stress, lost their husbands through no fault of their own.

I say these things sincerely, because if my suggestion were followed it would bring to our deliberations some realism, which one does not always find in the United Nations Organization.

I thank the committee for the close attention it has paid to what I have said. There is hope in the world yet. It is true that to some extent we have to worry; we have to hope and pray, and not despair; for worry never solved any problem. Surely God Almighty, a kind Providence, has not brought into being His jewel of creation, our world, surely He did not place men and women on this earth and infuse into them the spark of life and of divinity, only to have them destroy themselves. I am sure if they did that it would be as the result of works of their own creation and their own will, of their own passions, their own greed, but not by the will of God.

The leaders of great nations must realize that in our times they hold in the hollow of their hands perhaps the destruction of tens of millions of people. What human being worthy of the name could avoid that responsibility? What government would deliberately start such a catastrophe? They hold in the hollow of their hands the future of civilization as we know it.

By the design of our Creator, we pass through space at a terrific rate in a great journey drawn at some points in the heavens. If destruction comes, then it should come naturally, and not be caused by human beings. When I think of the great attraction felt by our planetary and solar system through space I am convinced that we are bound for a wonderful rendezvous where all will realize the greatness of creation in the Creator's infinite.

Let me say again, and with sincerity, that when one travels outside Canada the greatest word he can say is that he is a Canadian. It is the open sesame; doors are always open to you. I believe that is true because within one generation Canada has given twice of her blood and her riches and her services for the maintenance of freedom, democracy and Christianity. She has given those things we cherish most. When we attend these deliberations we do not draw a curtain across Canada; rather we extend a hand to every nation of the world to do everything possible within our power to make the world a better place in which to live, for the benefit of all.

May I conclude my observations this evening by placing on record the words of a great scientist, a controversial personality who has been in the forefront of the news for the last three years, in the United States. I refer to Mr. David E. Lilienthal, and I would quote one paragraph which I saw yesterday in the *Christian Science Monitor*. Mr. Lilienthal was formerly chairman of the atomic energy commission and knows not only about the destructive but also about the constructive possibility through atomic energy and the hydrogen bomb. He does not despair, because he believes implicitly in the goodness of mankind. A report of a meeting a few days ago in New York states this:

> If they allow themselves to wallow in the dark side of atomic energy, instead of realizing that mankind has "always stumbled onto solutions when it is under pressure," Mr. Lilienthal warned the American people, they never will realize the great potentialities in nutrition, medical science, and industrial development that can be theirs. But he added, "Thank God for the common sense of the American people."

And I am sure, had he been speaking in Canada, he would have said the same about the Canadian people. It continues:

> "We have to have faith in the Creator of all of us," he declared, "that He did not create man in His image and endow him with the ability to unlock the secrets of the atom to destroy the beautiful earth and all that is in it."

May God grant us the vision and strength, through our most ardent prayers, to bring about a speedy and lasting peace.

Mr. Drew: Mr. Chairman, first of all I do wish to say I feel sure every member in the house will echo the words of the hon. member for Cochrane (Mr. Bradette) when he said so confidently that there is hope. There is great hope, so long as the people who have the responsibility for expressing opinions, as the chosen representatives of the people in free countries, remember the lessons of the past, and with a clear recollection of those lessons discuss the problems of the present in terms that leave no doubt about what we are thinking or what we intend to do, and the responsibilities we are prepared to accept for the preservation of peace, for which so many of the youth of the world have died.

In the light of those remarks I can only express my regret that at this critical moment the Secretary of State for External Affairs (Mr. Pearson) should have given this house today so little real information in regard to Canadian policies. The whole future of our domestic security, the hope of employment, of prosperity and of doing those things within our borders that we think should be done, depend upon the possibility of avoiding that measure of destruction which has been pictured here in different speeches today.

Both in the speech which the Secretary of State for External Affairs made earlier in this house and in his speech today, it would almost appear that he is unaware of the existence of China. Today China represents the most critical spot in the whole world and any presentation of foreign affairs by the minister responsible for that branch of government which ignores the critical problems of that great area at this moment is an address to this house which hardly does credit to the hon. members who sit here.

After all, the future peace of this country is not something that rests alone with the Secretary of State for External Affairs or with the government. It is not only the right but the duty of every hon. member of this house to have that information which is essential to a full understanding of what course Canada proposes to follow in the days, the weeks, the months and the years ahead. A statement that our policy is related to the policies of the United Nations is hardly an adequate statement of our position at a time when events are moving with a rapidity which sometimes makes the news of last week appear like the news of very long ago.

There is one particular subject in connection with the whole situation in China which has been passed over casually and this house has not yet received any information which would give the views of the government as to those considerations which should be in the minds of members of this house and of Canadians generally in regard to the extremely important question of the recognition of the Mao regime in that country. There was a suggestion that the Secretary of State for External Affairs had that subject in his mind today when he spoke about the possibility of a change of address of the recipient of any possible message that may be sent.

It is not necessary, however, to seek to interpret those vague words, which are almost as vague as many other words in his speech, because this is a subject which has been dealt with in fairly explicit terms within the past few days. Whatever uncertainty there might be in anyone's mind as to the authority of General A. G. L. McNaughton to speak with knowledge of the intentions of the government in regard to military affairs, there can be no doubt about his knowledge, authority and responsibility when he speaks about the activities of the United Nations, particularly about the atomic energy commission of that body. He is the representative on that body appointed on behalf of this country by the Canadian government. Therefore, a special significance attaches to the statement he made in Ottawa in a public address on February 23. Before quoting his words I should like to explain the subject to which those words referred. He was speaking of the difficulties which had arisen in connection with dealing with the whole problem of the control of atomic energy because of the fact that the delegates from Russia and the satellite countries had walked out of the meetings of that commission and of other committees of the United Nations. He then used these words:

> Unfortunately the further progress of these meetings has been held up by the soviet refusal to participate as long as the Chinese delegate represented the nationalist government. However, there is reason to expect that the meetings will again be resumed shortly when this difficulty has been overcome.

Those words are open to no doubtful interpretation. They mean one thing, and one thing alone. They mean that the difficulty raised by the presence of the delegate who now sits there representing the nationalist government is to be removed and the demands of the Russians in regard to the recognition of the Mao regime are to be carried into effect. With that before us I think it is the responsibility of those members of this house who have views on this subject to express those views now. Of course the government has the responsibility of

making the decision, but the time to express those views is before that decision is made. The subject of recognition was dealt with earlier in this house when the Secretary of State for External Affairs was discussing this matter during the last session. He indicated the possibility of the recognition of the communist regime in China. He then explained the conditions which it would be necessary to see fulfilled by that government before recognition would be extended. These were the words he used, to be found at page 1838 of *Hansard* for November 16, 1949:

If the fact of communist control of China is demonstrated and an independent—I stress the word "independent"—Chinese government, able to discharge its international obligations, is established there, which is accepted by the Chinese people . . . we will in due course and after consultation with other friendly governments have to recognize the facts which confront us.

That statement raises three important conditions. First, the government of communist China must be independent; second, it must be able to discharge its international obligations; and third, it must be accepted by the Chinese people. This raises certain questions as to what recognition really is. There has been a good deal of discussion of this subject in the press. It is necessary to deal with it as an academic subject so that in examining the broader picture we may use the word "recognition" with full knowledge of what it has meant, what it is intended to mean, and what it means today as a diplomatic term. One of the greatest experts on international law in the world today is Professor H. Lauterpacht, professor of international law at Cambridge university. In a recently published article on this subject, this recognized authority on international law dealt with the principles which govern recognition, and he placed them under four headings. Quoting from his statement I read:

1. Recognition is a declaration of an existing fact. Whenever the requisite conditions of governmental capacity exist recognition is due as a matter of right.

Then there is amplification of that and an explanation of the term. Point No. 2 is as follows:

International law prohibits premature recognition of the revolutionary government. So long as the lawful government has a reasonable prospect of reasserting its authority, recognition is an unfriendly act and a violation of international law. The presumption is in favour of the established government. As Sir William Harcourt, who was the first Whewell professor of international law in the university of Cambridge, put it in a letter to *The Times* during the American civil war,

"A friendly state is bound to exact very conclusive and indisputable evidence that sovereignty of a government with which it has existing relations over any part of its former dominions has been finally and permanently divested."

[Mr. Drew.]

Carrying on with the quotation from Professor Lauterpacht's article, it reads:

On the other hand, "to maintain that the lawful government holding out in one isolated fortress is entitled to continued recognition *de jure* is to strain to breaking point an otherwise unimpeachable rule." It is a question of fact, to be ascertained in good faith, whether the authority of the lawful government has become purely nominal.

The third point is as follows:

Can recognition properly be given to a revolutionary government the support of which by the people is not evidenced by, to use a phrase of Jefferson's, "the will of the nation substantially declared?" Is effectiveness pure and simple the decisive test or is a subsequent legitimation of the revolutionary change by a freely expressed popular approval an essential requirement of recognition? That was a condition of recognition sometimes insisted upon by Great Britain until the first world war. That was also the practice of the United States, especially under President Wilson. But that practice, rational and desirable as it may be, was abandoned after the first world war and is not at present a part of the law. It may be revived when the right of man to government by consent has become part of the positive law of nations suitably guaranteed and enforced. That day is not yet.

Then there are further observations in regard to that point, and I quote now from his statement as to point 4:

There is, finally, the question of the willingness to fulfil international obligations and of assurances to be given to that effect by the government recognition of which is under consideration.

I should like to read that fourth point again.

There is finally the question of the willingness to fulfil international obligations and of assurances to be given to that effect by the government recognition of which is under consideration.

Even if the first three conditions were met, a question might well be asked as to whether the fourth condition can be met at the present time by the Mao regime in China. But while Professor Lauterpacht can well be regarded as an outstanding authority on this subject, he has overlooked one very important consideration. When he points out that a condition of recognition sometimes insisted upon by Great Britain in the past was that there was evidence of popular approval of the government, that situation no longer exists. He seems to have forgotten the decision of the United Nations in December of 1946, when, rightly or wrongly, they definitely laid it down that consent of the government is a consideration. It was on December 12, 1946, that the general assembly of the United Nations adopted a resolution dealing with the Franco government in Spain. I think it would be well to read part of that resolution. I am quoting now from the record of the assembly:

Convinced that the Franco-Fascist government of Spain, which was imposed by force upon the Spanish people with the aid of the Axis powers, and which gave material assistance to the Axis

powers in the war, does not represent the Spanish people, and by its continued control of Spain is making impossible the participation of the Spanish people with the peoples of the United Nations in international affairs;

Recommends that the Franco government of Spain be debarred from membership in the international agencies established by or brought into relationship with the United Nations and from participation in conference or other activities which may be arranged by the United Nations or by these agencies until a new and acceptable government is formed in Spain.

Mr. Pouliot: May I ask the hon. gentleman who sponsored that statement?

Mr. Drew: I believe the hon. gentleman is well aware of that, but I would be happy to hand over this record afterwards.

Mr. Pouliot: It is a polite question.

Mr. Ferguson: For once in your life, it is a bright question.

Mr. Pouliot: The hon. member should keep quiet.

Mr. Drew: I do not regard the question as in any way impolite, but I would point out to the hon. gentleman that there were several sponsors. I imagine he is referring to the fact that very strong support of this motion was put forward by the U.S.S.R., and by certain satellite powers, as well as by other nations.

Mr. Pouliot: Thank you.

Mr. Drew: I continue now with the quotation from this resolution:

Further desiring to secure the participation of all peace-loving peoples, including the people of Spain, in the community of nations;

Recommends that if, within a reasonable time, there is not established a government which derives its authority from the consent of the governed, committed to respect freedom of speech, religion and assembly and to the prompt holding of an election in which the Spanish people, free from force and intimidation and regardless of party, may express their will, the security council consider the adequate measures to be taken in order to remedy the situation;

Recommends that all members of the United Nations immediately recall from Madrid their ambassadors and all ministers plenipotentiary accredited there.

The general assembly further recommends that the states members of the organization report to the secretary general and to the next session of the assembly, what action they have taken in accordance with this recommendation.

That is a resolution on the records of the United Nations Organization. Without discussing the merits or otherwise of that resolution at the moment, the fact remains that by a majority vote sufficiently large to commend the observance of the members of the United Nations Organization, a decision was made that there would not be recognition of that government until it was a government with the consent of the governed. This becomes a most emphatic statement of international law, and remains so until it has been repealed. Certainly, it cannot be disregarded. It would be a shameful thing if it were disregarded in consideration of this problem which is being discussed at the moment. Whatever may be said about the government of Spain, it certainly is not open to anyone to suggest that the Mao regime in China was not imposed upon the Chinese people by force, and by forces supplied by the government of Russia. On the basis of existing international law, that is a consideration which cannot be disregarded if our observance of that resolution is to be looked upon as a responsible act by the government of this country.

What is the necessity for haste in dealing with this question of recognition? What is the evidence before us that these conditions have been met, even if it were possible to overcome the hurdle presented by that resolution of December 12, 1946? There is another important consideration which should be borne in mind also. It is not necessary, nor is there any occasion, to express an opinion about the government of Chiang Kai-shek at this moment. There was a time, of course, when the people of Canada did express admiration for the fortitude of the leader of the Chinese forces who, for so many long years, fought the Japanese invader. This was at a time when the league of nations was standing by, and taking no action to carry out the obligations under its covenant. That admiration may have been misplaced, but it was demonstrated over and over again by Canadians in every part of this country.

Today Chiang Kai-shek exercises authority over a limited area. It would appear that he exercises direct authority only over the islands of Formosa and Hainan, but there are many millions of people living on those islands. Those islands are still the bastions against the complete communist domination of the whole eastern coast of China. I am not raising any question about Formosa beyond this, that one of the obligations undertaken by the United States was to return the island of Formosa to the republic of China after the war. Any hasty recognition of the Mao regime as the government of China, which carries forward all diplomatic obligations and rights, would carry with it the duty of handing over to Mao the island of Formosa. That is something which will require careful consideration on the part of the government of the United States, and undoubtedly it is receiving careful consideration. Factors such as these and factors such as the present activities of the communist forces of China on its southwestern

boundary call for a careful analysis and should put a damper on the enthusiasm of those who are anxious for precipitate recognition of the communist regime in China today. We are under no compulsion to act hastily, but I believe we are under great compulsion as a nation to act with caution, with great care and after a full examination of all the consequences that would flow from recognition at this time.

This is not only a question of the formality of recognition; this is not only a question as to what recognition means to us. It is a question of what recognition means to the Chinese, to the Russians, and to those countries in southeast Asia which are still doing all they can to hold the vile flood of communism from their countries. The events which have taken place to the south of China should be in the minds of every member of this house and of every Canadian who is concerned about the future of that vast area, which may determine the whole future course of the world. At the present time there is fighting in the recently-recognized state of Viet Nam. There are two groups of recognition in Viet Nam and in two of the adjoining countries. Those conflicting recognitions throw some light on the importance of recognition to the people in those areas and of what recognition means in the minds of the men in the Kremlin. There is the legitimate government of Viet Nam. It has been recognized by Britain, the United States, France and other countries associated with them in their efforts to preserve peace. There are also the Viet Minh forces; they have been recognized by Russia, and they are fighting the Viet Nam government within the boundaries of China and are receiving arms from Mao. Every time they are cornered on the Chinese boundary, they retreat into China, reorganize, re-arm and go back again into Viet Nam. In that area recognition of China would be regarded almost as a fatal blow to the government of Viet Nam which we have recognized. The Secretary of State for External Affairs (Mr. Pearson) may nod his head; but it is a pity that he did not give us some of this information verbally instead of reserving it for this vague interpretation.

Mr. Pearson: I did give information on that point the other day.

Mr. Drew: And I may say that is the view publicly expressed by men with a great deal longer experience than the Secretary of State for External Affairs in this government. That is an area which indicates what may happen, because beyond Viet Nam lie Malaya, Burma, and farther away the great nation of India. When anyone expresses some measure of confidence that Mao has no territorial ambitions in that area, one is sadly reminded of the assurance that Hitler gave to Mr. Chamberlain and Mr. Daladier in September of 1938, when he assured them that Germany had no further territorial ambitions in Europe. The territorial ambitions of the Soviet empire, of which Mao's regime now forms a part, are not limited except by recognition of the fact that there may be some point beyond which they dare not go. The question that is presented to those who hope to preserve freedom today is a question that was presented to the people of Europe and of the world in 1938 and the early part of 1939. The question now is the same as the question then, namely: How far do we let aggression go without anything but expressions of regret? Let no one suggest that the raising of that question now indicates any thought that we should take precipitate action of any kind. But every one of us learned from the records of the German general staff and of the German government, which were exposed to the world at Nuremberg, that if a firm position had been taken against the Germans in 1938 and 1939 the likelihood was that there would have been no war at all, certainly not at that time. The evidence is all too clear that twice within a generation the world has been bathed in blood because the free nations did not stand together firmly enough at the time when firmness would have retarded aggression and preserved the freedom and peace of the world.

Let us see what it was that was under consideration in the remarks of General McNaughton when he made it quite clear that early recognition is under consideration or has actually been decided upon. A typical example of the things that have been read these past few weeks is to be found in the New York *Times* of January 24, under the heading: "Soviet walks out of the UN fifteenth time on China issue." Then it goes on to explain under date of January 23:

> Valentin I. Kobushko of the Soviet union walked out of the economic and social council's committee of non-governmental organizations today, after failing to oust the representative of nationalist China. The latest effort, with the now familiar routine of the Russian point of order, the Chinese retort, the vote and finally the walkout declaration, was an almost mechanical affair lasting a little over four minutes. When Mr. Kobushko turned his back on the closed meeting he brought to fifteen the total of recent Soviet bloc walkouts from six United Nations bodies.

From their point of view there may be every reason for the representatives of the Soviet government and their satellites to urge that the present Chinese representative at the United Nations should no longer be permitted to sit there; but there are other methods to use than to walk out on the conference.

On matters of major international concern the United Nations Organization has been rendered almost helpless by the veto of Russia; and now it is being rendered impotent in regard to some of those activities by the walkout, simply because these various groups within the United Nations Organization are not prepared to submit without argument to the demands of this vile tyranny to which we certainly should not bow down now or at any other time.

The situation is perfectly clear. The Soviets have never been able to muster more than three votes in the security council, and only two in the other bodies, in favour of their demand that the present Chinese representative be removed. As I said before, no one can possibly challenge their right to argue, and to submit every contention that they think is in their interests, to bring this about; but the United Nations cannot permit one member to dictate to it, or the United Nations will no longer have either dignity, self-respect or any real power to solve the problems of the world.

It has also permitted Russia far too much latitude in preventing effective action, and the time has come, in the interests of peace and the preservation of freedom, to remember that word "appeasement" that was written across the world in letters of blood only a few years ago.

Fortunately there are breaks from time to time in the solid front of the communist representation. They are the sort of breaks that support the statement made here earlier that there is hope. As a result of these walkouts Dr. Alexander Rudzinski, the Polish representative, announced to the secretary general of the assembly that he was no longer a representative of Poland, and that he was going to seek sanctuary in the United States. He gave as his reason the fact that he had received evidence that was all too clear that there was no longer any pretence of freedom in Poland; but that the final and conclusive evidence that they were not a government in their own right was furnished by the fact that the Soviet representatives had put pressure on him direct from the Kremlin, insisting that he, as a Polish representative, should walk out of the United Nations meeting. If, as General McNaughton says, that difficulty is to be removed, and if it is to be removed by recognition of Mao, then the United Nations, and the members of the United Nations, will have submitted to a form of blackmail that will completely stultify the effectiveness of the United Nations Organization in the years ahead. I have a tendency to use the term "the league of nations"; for as one sees these events taking place there is a chilling recollection of earlier events of the same kind. It is like the experience you have when you pick up one of these paper-covered books just before you take a trip on the train or in an aeroplane—and I am not referring to the type of books that were recently banned—and then you read a couple of chapters before you find that you have already read the same story some time before.

As we read of those events in China and in Viet Nam, and as we consider what may happen in Malaya, in Burma and ultimately in India, if this red flood is not held back by firm and positive action which will be understood by the men in the Kremlin, then we may well find ourselves confronted by very similar events.

When I say "firm action" I mean the kind of united action to preserve peace which the Russians will recognize today just as the Germans would have recognized it either in 1914 or in 1939. It is necessary to go back over the tragic events of the years that have passed. To those whose memories are very clear on what took place from 1918 onwards, there is a duty to keep fresh in the minds of the people of Canada, and of free people everywhere, those lessons which are of such vital concern to everyone in the world today who hopes to fulfil the terms of victory that came to us in 1945. The allies in November 11, 1918, had won the most decisive victory in all history. There was complete and unqualified submission of the most powerful land army the world had ever known. Most of us here will recall the jubilation on that day, and most of us will recall the confidence with which we looked to the treaty that was to be signed at Versailles. Most of us will remember that there was a belief in those days, a firm belief, that Armageddon had passed, and that never again would the nations of the world be engulfed in so dreadful a holocaust.

Those men who met in the Hall of Mirrors, just next unfortunately to the Hall of War, drafted a covenant which expressed in clear and understandable terms the hopes and aspirations of men and women throughout the world who never again wanted to see a repetition of a tragedy of that kind. And although the covenant was a long document, its terms were simple and fairly explicit. It left a clear understanding that every nation was to have the right of self-government and of self-determination, and that each country could choose its own kind of government without intervention by any other nation.

There was also a clear understanding—and I use the word "understanding"—that the nations would stand together to preserve peace. And it was only on that understanding that France gave up control of the

eastern bridgeheads on the Rhine. They never would have made it possible for the Germans to move west again, in that generation, if they had not believed the covenant of the league of nations meant that the nations would stand together to stop aggression.

Time went on, and we all learned that the nations which had signed the covenant were not prepared to place that interpretation upon its terms. There were minor events which were disturbing; but the first great breach of the terms of the covenant of the league was the Japanese invasion of the Chinese mainland in Manchuria.

The league of nations took no steps to deal with that aggression. They applied no sanctions to prevent aggression. On the contrary, the free nations supplied to Japan scrap iron, oil, nickel, aluminum, and other things that could build their strength for those very military activities which were prohibited by the covenant of the league.

Then next came the German occupation of the Rhineland, explicitly prohibited by the treaty. No action was taken. It was accepted as an accomplished fact, just as other things have been accepted as accomplished facts in these past few years.

Then came the Italian invasion of Ethiopia. That could have been stopped at any moment without a shot being fired. Italy was sending troops three thousand miles to distant Ethiopia—and Italy had no oil, except the oil that was supplied by those nations which expressed their disapproval of what Italy was doing. Sanctions to prohibit the export of oil at that time would have prevented the Italian occupation of Ethiopia. That was not done.

And so, step by step we moved forward to the inevitable brink of the inevitable war. I hope that every Canadian, and others who remember the same events, and have the same reason to remember those events, will recall how wise we all thought we were in 1939 and 1940 when, no matter what views had been expressed before, people in the free nations said that never again would there be appeasement of an aggressor. They said, and with conviction, that they had learned the dreadful lesson that appeasement brings war, and that the way to stop war and preserve peace is for the nations that want peace to stand together and say that their freedom is a priceless possession which they will under no circumstances forfeit to an aggressor power.

That was the outstanding lesson we were all supposed to have learned in those dreadful years. The nations met in San Francisco in the spring of 1945 when it became apparent that there was no longer going to be a very extended resistance by Germany, and that the post-war world should be considered. And at San Francisco those nations which came together as the United Nations again asserted, at the very outset, the right of every nation to choose its own government, and the right of every nation to be free from armed pressure or armed intervention. Also it asserted the principle of consent of the governed.

How far have we followed those principles in the years that have passed? Surely it must have brought a dreadful realization of what has happened when the hon. member for Peel (Mr. Graydon) pointed out this afternoon that five years ago one out of every twelve people in the world was under communist domination, whereas today one out of every three human beings is under communist tyranny.

There is not one of us in this house who does not know that the communist control of Poland, of Roumania, of Hungary, of Bulgaria, of Czechoslovakia, of Latvia, of Lithuania, of Estonia and of all the other states on their borders was in no single instance the free choice of the people of those nations. Today the Soviet empire embraces nearly a third of the population of the world and that vast tyranny has been imposed upon those people by small minorities who were able to exercise their control in every case by force.

There comes a time when the lessons of the past must be remembered and accepted or we shall follow the same dreadful course to another war when all the terrible advances of science will bring destruction on a scale that we have never dreamed of before. But there is hope, and that hope rests upon the unity of purpose of those who are joined in a common bond for peace and for the preservation of freedom.

The proposal has been put forward in this house on different occasions by the hon. member for Vancouver-Quadra (Mr. Green) that a Pacific pact to complement the Atlantic pact should be brought into being. Today the Secretary of State for External Affairs said that that could not be done because if the nations of the Pacific were to be invited to consider a Pacific pact it would be necessary to invite Russia and China. Russia was not invited to the meetings of the Atlantic conference and yet Russia has very direct access to the Atlantic through the Baltic or through the fact that at any time she can complete the 35 miles that separates her from the great German seaport of Hamburg.

Not a very pleasant thought, but it is a bit of reality which indicates the direct concern Russia has in the affairs of the Atlantic. Russia was not invited, and for one clear reason. The Atlantic pact was a pact conceived, shaped and brought into being for the

one purpose of containing Russian aggression. Why pretend that it was for anything else? There is no use in pretending today that a Pacific pact would be for any other purpose than to contain the aggression of the Soviet empire in the Pacific area and the Orient.

Here is one of the terrible unrealities of this situation. Every voice which can be raised should be raised before it is too late to say to these people who are talking the mumbo-jumbo of diplomacy: "Wake up before our freedom is gone and the world destroys itself because you are not talking in terms that the world can understand." Why gloss over these realities in vague terms such as we have heard here today? Why not face the chilling truth? It is only by facing it that we shall avoid the dreadful possibility which the Atlantic pact was conceived and developed to prevent.

What earthly use will the Atlantic pact be if through that pact we prevent war in Europe and then the whole structure of the Orient goes to pieces under the red flood? What use will the Atlantic pact be if we keep the front of human civilization intact and let the whole vast rear of that structure be destroyed by the red flames? What use will the Atlantic pact be if that soviet power which has moved so fast down through China keeps on through Viet Nam, into Malaya, through Burma to India and spreads out to Tibet, to Afghanistan, to Persia and then presents one great solid front to the powers of the west?

That is a dreadful possibility that will be brought closer if the United Nations submit to this soviet blackmail and act under the demands of these people who have defied every ordinary principle of decent conduct when they say: "You do our bidding or we won't even talk to you." No peace will be obtained by a submission to demands of that kind any more than peace was obtained in 1939 by the acceptance of the conditions imposed during the frequent visits to Berchtesgaden.

Every word I have spoken is a word that expresses the hope of peace. Every word I have spoken is a word that is intended to remind hon. members of this house of the ghostly lessons of the past. Every word I have spoken is a word to urge upon this government the duty to say in no uncertain terms, no matter what may be said by other governments in the world: "Appeasement is going to go no further; we have learned the lessons of the past and there will be no truck or trade with tyranny of this kind unless and until they are at least prepared to accept the ordinary standards of international conduct." You do not gain anything, you do not gain any hope of peace, you do not gain any hope of security by clearing the decks for further discussions under threats of that nature.

One of the problems before us, and a very real problem it is, has been raised by the recognition of the Mao regime by the government of the United Kingdom. I submit that is no reason whatever why this government should recognize the communist regime in China. This government has it within its power to say things that need to be said. I should like to read from an article written recently by Mr. Anthony Eden which I think offers the solution to this great problem. The article was published in London on January 16 and reads:

> The Far Eastern policies of the Atlantic powers and their friends are in a rather dismal tangle. They all apparently intend the same thing but they are moving at so different a pace that they are jerkily out of step.
>
> Recognition of the communist government in China provides a recent example of this inconsistency, though not the most important. The divergence of view and discrepancy of action between the British and American governments in this instance may even do good if they draw attention in both countries to the urgent need to co-ordinate policies without further delay.
>
> As regards actual recognition, there is a fair field for argument on practical as well as on legal grounds. It is a real misfortune that in this, as in other Far Eastern matters, we should be acting piecemeal both within the commonwealth and as between the commonwealth and the United States.

I pass on to another quotation in the same article which reads:

> We must first determine the nature of our problem in southeast Asia and next consider how together we can make headway toward its solution. In the first instance, the problem is economic. We should make a fatal error were we to under-estimate the extent of the challenge free nations have to meet. The overwhelming triumph of Mao Tze-tung in China has transformed the whole position in the Far East. His methods have now become the blueprint for communist plans and the pattern for communist action throughout the Orient.

Then I should like to quote from the last part of his article:

> There should be an agreed strategy in all this area between the powers principally concerned, and their burden both in troops and political responsibility fairly adjusted. It is equally necessary that our several intelligence services in the Far East should be reviewed and co-ordinated.
>
> I therefore repeat that the most urgent need is for us to have a common policy in these affairs. No nation can, by itself, save the Far East. Our common policy must be founded upon determination to help the peoples of southeast Asia to live in freedom from want or fear. Without our aid they are doomed to all the consequences of communist rule, and if they should fall who can doubt that the danger to the peace of all the world would move nearer and yet nearer to home?

Those are the words of the great British foreign secretary of the war years, a man who had the courage to resign from the Chamberlain government in protest against

appeasement before the war, a man who is now raising his voice to assert the same principles, a man who is raising his voice urging common action by the free nations to preserve their principles, which are the reason for the meetings of the United Nations at Lake Success.

Let us hope that conditions will exist at some future time when recognition can be extended to China and to other nations in that great area. But the highest duty of every government today, which has some responsibility in the Pacific as well as in the Atlantic, is to demand that there shall be common action, and that there shall be a clear and uniform pattern of strategy which will be known to the people of the free nations, and which will be known in the clearest detail to the nations which threaten our peace and security. Certainly there should be no recognition of the Mao regime until those conditions have been fulfilled, until the nations which have a common concern in the preservation of peace both in the Atlantic and in the Pacific are able to decide on a uniform pattern of strategy which all can follow.

After two months in Moscow Mao has returned to his own capital, and I notice that the Secretary of State for External Affairs has said that it is not possible yet to determine what the terms of his agreement with the Russians are. Nevertheless we know it is an agreement of friendship, an agreement for common action. That much we have been told. I hope that every member of the house saw the photograph of the signing of that treaty in the Kremlin. If you have not, look it up. In that photograph you will see the same three Russians who were present when the treaty of friendship was signed with Germany on August 26, 1939, and war became a certainty. There were Stalin, Molotov and Vishinsky. Mao was sitting in the very place where Ribbentrop sat at that time. They were all in precisely the same positions. Look at the picture and then think what that pact of friendship may mean to the free world unless the lessons of the past are remembered and the nations stand together to preserve that peace for which so many of our own young men and women died, and so many of the youth of the world gave up all they had.

Let no one suggest that we must wait for others. In this confused and uncertain hour the whole free world is waiting for a clear and clarion call to follow the course of honour, to follow the course that will give us peace. That call can come from Canada, which under no circumstances can be charged with any selfish interest in Asia, Europe or anywhere else in the world. I submit, Mr. Chairman, this is both a challenge and an opportunity which never may be offered to this government again.

Mr. Pouliot: May I ask a question? I congratulate the hon. gentleman on his fine speech, but I should like to ask him whether he really thinks that speech was a call for peace?

Mr. Drew: I most certainly do. I do believe that every word I have said is an appeal to follow the only course that will give us peace. I have made this appeal tonight to the Canadian government, to the members of this parliament, and to the people of Canada to wake up, because I see a very grave danger that we are following the same course that led to such dreadful results only a few years ago.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): On Monday we will resume the debate on the address.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, March 6, 1950

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

COAL SUPPLY—ANNOUNCEMENT AS TO RESUMPTION OF FULL PASSENGER TRAIN SERVICE

Hon. Lionel Chevrier (Minister of Transport): I have a statement to make, Mr. Speaker, concerning the resumption of full passenger service on the Canadian National Railways. Mr. Donald Gordon is making the statement from Montreal at 3.30 this afternoon, and he was kind enough to send me an advance copy of it so that I could make it to the house. I would not want the house to think that I am scooping him, because it is now only ten minutes after three. The statement is as follows:

When the coal shortages forced the Canadian National Railways to reduce passenger train service in Canada by twenty-five per cent, the railway management promised that the trains which were being temporarily discontinued would be put back into operation as soon as conditions justified. Now we are keeping our word. Full Canadian National train service will be restored as from Wednesday midnight, March 8. All trains in Canada that stopped running because of the coal shortage will go back on their normal schedules.

To the public who have given us their understanding support we express our thanks and say that the Canadian National Railways will, as in past years, continue to provide fast, reliable, up-to-date transportation.

In addition to restoring passenger train services, the management has given instructions that coal consigned to commercial and other users be given preferential movement over our lines.

INQUIRY AS TO SETTING UP OF RAILWAYS AND SHIPPING COMMITTEE

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): May I address a question to the Minister of Transport, arising out of the statement he just made? I am sure we were all glad to hear it. It indicates the efficient manner in which the minister handles all matters that come within the scope of his department.

Mr. Chevrier: There must be something coming.

Mr. Gillis: Is it now the minister's intention to convene the committee on government-owned railways and shipping in order to complete this particular story?

Mr. Chevrier: The last time the question was asked of me I think I indicated that it was my intention to convene the committee on railways and shipping as quickly as possible. I wish I could indicate the date, but I hope it will be before the Easter recess. Perhaps I may add this: since it takes some time to prepare the reports that are submitted to the committee, such as the annual reports of the Canadian National Railways, the Trans-Canada Air Lines, and the like—and I would not want, as I am sure the house would not, the officers of the Canadian National Railways to come back twice—I hope it will be possible to convene the committee around March 27. I hope that will meet with the approval of the house.

QUESTION AS TO TAKING OVER OF BUS AND TRUCK SERVICES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to direct a question to the Minister of Transport. Has the Canadian National Railways made a general proposal to all the other provinces similar to that which has been made to the government of the province of Prince Edward Island, namely, to take over all the highway bus and truck services, and to place them under the control of the board of transport commissioners?

Hon. Lionel Chevrier (Minister of Transport): That is quite an order. I have had no advance notice of the question, but I may tell my hon. friend that I am not aware of any such movement. In any event I am sure that the Canadian National Railways, or for that matter the federal government, would have no jurisdiction over provincial highways on Prince Edward Island, and over one or two of the other matters which my hon. friend mentioned in his question. That is about the only information I can give him at this time.

UNITED NATIONS

FOURTH SESSION OF GENERAL CONFERENCE OF UNESCO—REPORT OF CANADIAN DELEGATION

Hon. L. B. Pearson (Secretary of State for External Affairs): I wish to table copies, in English and in French, of the report of the Canadian delegation to the fourth session of the general conference of UNESCO held in Paris from September 19 to October 5, 1949.

Inquiries of the Ministry

CONTROVERTED ELECTIONS

ANNAPOLIS-KINGS—CERTIFICATE AND REPORT ON TRIAL OF ELECTION PETITION—ISSUE OF NEW WRIT OF ELECTION

Mr. Speaker: I have the honour to inform the house that I have received from Hon. Mr. Justice Doull and Hon. Mr. Justice MacQuarrie, two of the judges of the Supreme Court of Nova Scotia selected for the trial of an election petition pursuant to the Dominion Controverted Elections Act, a certificate and report relating to the election in the electoral district of Annapolis-Kings.

Shall I read the report?

Some hon. Members: Dispense.

Mr. Speaker: I have the honour to inform the house that, in conformity with chapter 50, section 69, of the Revised Statutes of Canada, 1927, I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

Mr. Diefenbaker: Mr. Speaker, I should like to ask a question arising out of the record that you read respecting the Annapolis-Kings election. I should like to ask the government whether any investigation has been made with regard to the constituencies in which the illegal votes would have been properly cast. In other words they were cast in the wrong constituency; they belong to other constituencies.

Right Hon. L. S. St. Laurent (Prime Minister): My understanding is that the votes were cast in that constituency in such form that they could not be counted elsewhere, the voter having written in the name of the person for whom he was voting, and that person was a candidate only in the constituency where it was found that the votes could not legally be cast.

WHEAT BOARD

QUESTION AS TO REFERENCE OF REPORT TO AGRICULTURE COMMITTEE

On the orders of the day:

Mr. J. A. Ross (Souris): I should like to direct a question to the Minister of Trade and Commerce. Will the report of the Canadian wheat board for the crop year 1948-49, which was tabled in the house on February 21, showing a deficit on the 1945 to 1949 pool account of $5,235,621.37, be referred to the standing committee on agriculture this session, in order that the report and activities of the wheat board can be examined and thoroughly studied?

Perhaps when the minister is answering he will make a statement as to the meeting with Mr. Charles Brannan—

[Mr. Pearson.]

Mr. Speaker: Order.

Mr. Ross (Souris): —United States secretary of agriculture—

Mr. Speaker: Order. I must insist that when a question is being asked and I rise to call order, the hon. member who is asking the question should resume his seat.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the report of the wheat board for the crop year 1948-49 has been tabled in the house. If the committee on agriculture wishes to review it, the department will give the committee every facility to do so. I think my hon. friend will find that the so-called deficit reported in the statement has no significance whatsoever except as a working capital item.

Mr. Macdonnell (Greenwood): Just one of those bookkeeping entries.

Mr. Howe: As to the meeting with Mr. Charles Brannan, the Minister of Agriculture (Mr. Gardiner) and myself met with him and discussed a division of wheat allocations to the United States and Canada, contingent upon the participation of Germany and Japan in the wheat agreement. Complete agreement was reached, but since Australia is also interested in the division, and since the final decision will be made by the international wheat agreement council, it is not thought wise to give the figures at this time. Our discussions were simply preliminary to a report to the council in London.

TRANS-CANADA HIGHWAY

QUESTION AS TO AGREEMENTS WITH PROVINCES—ROUTE THROUGH SASKATCHEWAN

On the orders of the day:

Mr. A. C. Stewart (Yorkton): I should like to direct two questions to the Minister of Resources and Development. Have agreements for the building of the trans-Canada highway been forwarded to all ten provinces? What government selected No. 1 highway in December, 1948, or January, 1949, as the trans-Canada route through Saskatchewan?

Mr. Speaker: I doubt whether that is a question that should be asked on the orders of the day.

PIT PROPS

INQUIRY AS TO ARRANGEMENTS FOR OVERSEAS MARKETS

On the orders of the day:

Mr. A. J. Brooks (Royal): On Friday last I asked a question of the Minister of Trade and Commerce regarding the markets for pit

props. His parliamentary assistant said he would have the answer for us today. May we have the answer?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Trade commissioners in several countries are working on the sale of pit props, and there is some hope that sales will be made. I think anything I might say in addition to that would only jeopardize the current negotiations.

Mr. Brooks: We were told that as soon as the British elections were over—

Mr. Howe: Yes; they were over last week.

Mr. Brooks: I know they were.

Mr. Macdonnell (Greenwood): You had better go back yourself.

Mr. Brooks: I should like to ask a question arising out of the minister's answer. Can he give us any idea when these negotiations with the other countries will be completed?

Mr. Howe: Just as soon as the other countries indicate that they are ready to sign a contract for the purchase of pit props.

Mr. Brooks: That is the sort of answer we have been getting.

AERO TIMBER PRODUCTS

REQUEST FOR INFORMATION AS TO RECORDS OF FORMER CROWN COMPANY

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): On Friday last the hon. member for Peace River (Mr. Low) asked the Prime Minister whether he would give the name of the department which has possession of the records of Aero Timber Products Limited. These records are in the custody of the Department of Trade and Commerce.

BUTTER

PRICES SUPPORT—QUESTION OF SALE OF TEN MILLION POUNDS IN STORAGE

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to direct a question to the Minister of Agriculture, based on a statement which appeared in the press on Saturday regarding the butter situation in Canada. Is it true that the government is going to sell 10 million pounds of butter? If so, to whom, and at what price?

Right Hon. J. G. Gardiner (Minister of Agriculture): When the government undertook to take butter at a floor price it was the intention eventually to sell it all. I understand that the amount on hand at present is something under 25 million pounds. I hope that sooner or later we shall sell it all, and we hope we shall sell it in the ordinary way.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, March 2, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise in this debate to register my protest—and in doing so I am satisfied that it is the protest of many thousands of Canadians—against the way in which the government is failing to carry out one of its most important promises in the field of social security.

The people of this country, despite the fact that they have shown much patience with the Liberal party, deeply resent the breaking of solemn promises. One of the offers, one of the promises with which the people of Canada are most familiar, is the offer made in August of 1945 with respect to old age pensions. That proposal was spelled out very clearly. It was to be $30 a month, but please note these features—it was to be payable at the age of seventy to all Canadians, without any means test, and it was to be financed and administered entirely by the federal government.

I know from my experience that during the past number of years hundreds and thousands of people have been hoping each year that that would be the year in which that offer would be implemented. Last summer, after the election of June 27, many people thought then that surely there was nothing standing in the way of such a huge Liberal majority carrying out its proposal for a universal old age pension without a means test.

We are now confronted, however, not merely with a repudiation of that proposal, but with a denial that it was ever made. I wish to quote the words of the Prime Minister (Mr. St. Laurent) in answer to an interjection of mine during his speech on February 20, as recorded at page 62 of *Hansard* of this session. He had been speaking about old age pensions, and about the desirability, so far as the government is concerned, of moving in the direction of a direct contributory system. This was my interjection:

> Mr. Knowles: That was not the federal government's offer to the provinces in 1945. Was that offer not made without its involving a contributory system?

And this was the reply:

> Mr. St. Laurent: No, it was not. I think that if the hon. member will refer to the proposition he will find there never was any offer of a pension without a means test and without a contribution.

That is the basis of my protest this afternoon—that we have this government not only back-tracking on its promises, not only failing to fulfil them; but now we have the head of the government denying that a promise with which all Canadians are familiar was ever made.

That was not just a chance statement by the Prime Minister, because he went on to say:

> There could not be,—

In other words, there could not be such an offer.

> —because it just would not work. We cannot have that proportion of the income of the nation derived from ordinary taxation devoted to old age pensions.

Then he went on to express his sympathy toward the old people, but indicated his own personal disapproval of there being no means test by saying:

> Why should I, within the next two years, get a pension of $40 per month and hand back only something of the order of 45 or 50 per cent of it to the treasury?

The Prime Minister went on to discuss the matter further, in a lengthy paragraph which makes it clear that he meant precisely what he was saying when he declared that there never was an offer of a pension without a means test and without a contribution. I wish to document rather fully my contention that, to say the least, that is a misstatement of the facts.

I hold in my hand a copy of the proposals of the government of Canada presented to the dominion provincial conference on reconstruction in August, 1945. Under the heading "National Old Age Pensions at age 70", we find this at pages 37 and 38:

> As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged seventy and over in all parts of Canada.
>
> The cost of national old age pensions by 1948, for example, is estimated at $200 million. (For details see table I below). There would be a partial recovery from people over seventy paying income tax.

Then on page 38 there is a further indication of what was involved in this proposal:

> The principal feature of the proposed national old age pensions is the elimination of the means test after reaching age seventy, regarding this as unsuitable for the oldest group in the community, over eighty per cent of whom are not in fact capable of supporting themselves in useful remunerative work.

That is as clear cut as it could be. The principal feature of the proposal was the elimination of the means test after the age of seventy. Yet on February 20 of this year the Prime Minister said there never was any such offer. The paragraph at page 38 continues:

> Payment of pensions as of right to people of this age offers the best kind of economic security. It removes the fear of destitution much more certainly than any other method, and relieves old people of the necessity of seeking work, or of endeavouring to keep on working in unfavourable circumstances and beyond the age at which they should be able to retire, without dependence on charity or burdening the family. In addition to providing a minimum subsistence for those with no other resources, this system would enable other persons with moderate private savings to retire from active work sooner, or in more comfort than would otherwise be possible.

That offer in 1945 was a long hoped for turning point in this country, so far as thinking about old age security is concerned. I have in my mind a vivid recollection of an editorial which appeared in the Winnipeg *Free Press* some weeks ago, in which some of us were condemned for having so much to say about old age pensions. One of the reasons we were condemned, it was pointed out, was that by talking so much about old age pensions we were building up the hopes of old people—hopes which could not be fulfilled.

I plead guilty to the first part of that charge; I hope I have helped to build up the hopes of the Canadian people that there would soon be justice for our older citizens. But I point out that the document that really did build up the hopes of the Canadian people that the means test would be done away with was not a propaganda statement by a political party, but a forthright proposal and a definite statement from the government—the statement I have just read. That was the position of the federal government right down to February 20 of this year—that the means test had to go.

On that same page of the government's proposals it goes on to say this:

> The removal of the means test would make it possible for these pensions to be administered by the federal government alone on a uniform national basis, without the necessity for provincial participation, and would therefore considerably relieve provincial finances. As the federal government would be assuming full financial responsibility, it would also administer the payment of these pensions.

Please note that in that outline of the proposal it is clear that there was to be no means test, and that these pensions were to be paid in full by the federal government. Now the Prime Minister stands up in this House of Commons and says there never was any offer of a pension without a means test and without a contribution. So—

Mr. Martin: Why not state the situation correctly?

Mr. Knowles: I am stating it correctly and I am going on to state a lot more; indeed I shall be quoting from the minister's own words several times before I have finished in support of my contention that since 1945 it has been the government's position to get rid of the means test.

At page 42 of the same book there are further references to this matter, one paragraph of which refers to the financing of the plans put forward in 1945. I quote:

> The proposed system of old age pensions payable as of right without means test to persons seventy or over would be instituted and administered by the dominion government, and specific agreements with provincial governments would not be essential to its implementation.

There it was in categorical terms. There was an underlying condition, the tax agreements; but, given the tax agreements, no other specific agreement was necessary before the federal government would proceed to implement its proposal of universal old age pensions at age seventy without a means test, paid in full by the federal government.

The proposals go on to say:

> It is within the power of the dominion to finance its share of the combined cost of health insurance and of old age pensions out of the consolidated revenue fund with such modification of taxation as would be justified, in the opinion of parliament, by the universal benefits of health insurance and old age pensions and by the other purposes of dominion expenditure.
>
> There are, however, some definite advantages, in terms of administrative efficiency, compliance, and popular understanding of the plans, in introducing features more specifically contributory in nature and tied up more closely with the provisions of health insurance and old age pension legislation. These additional and desirable features would be helpful in the early and effective inauguration of the plans, and the dominion government asks that they be provided for in specific agreements with the provincial governments.

I know what the government is now doing. The government is now relying on that subsidiary reference to a contributory plan, which was to be considered only when health insurance was combined with old age pensions. Before I conclude, I shall have something to say about the loose way in which the word "contributory" is used. It is the sort of word that needs to be defined.

I read that last paragraph which I just quoted in order to give, as it were, both sides of the story—to give the wording that the government now uses in its claim that it always had a contributory plan in mind. But I point out that, in the paragraph I have just quoted, the contributory feature comes in only when there is talk about an over-all plan, including both old age pensions and health insurance. With that I agree; but remember that the offer to go ahead and implement the proposal of universal old age pensions without a means test was categorical and definite. The paragraph I have just quoted said that specific agreements with provincial governments would not be essential to the implementation of universal old age pensions without a means test.

That proposal was put before the country at that time. It was given considerable publicity. I hold in my hand bulletin 9-A put out by the wartime information board on August 11, 1945, giving a summary of these proposals. It was on the basis of that summary that stories reached the newspapers and got to the Canadian people. Here is what it said:

> The federal government would itself finance and administer a system of national old age pensions for persons over seventy years of age. Pensions would be at the flat rate of $30 per month, regardless of means. To be eligible, the individual must have resided in Canada for at least twenty years since age eighteen, including the three year period immediately preceding the date of application for pension.
>
> This part of the program would cost the federal government approximately $200,000,000 by 1948, although there would be some recovery through income tax receipts from persons over seventy.

In case there is any doubt as to the interpretation being put on those proposals by the wartime information board or by the press of that day or by the general public, I call as another witness on my side of the case the present Minister of Justice (Mr. Garson). I hold in my hand a copy of the budget speech which he made in the Manitoba legislature on Thursday, March 27, 1947, when he was provincial treasurer as well as premier of Manitoba. The first subject that he dealt with as provincial treasurer was by way of a report to the Manitoba legislature on the dominion-provincial negotiations of 1946-47. The present Minister of Justice, then provincial treasurer of Manitoba, started off with a few words about financial matters and he then went on to say:

> In addition the dominion offered under the heading of social security to pay the following grants:
>
> 1. To everyone of the age of seventy years and over, an old age pension at the rate of $30 per month without a means test, with the dominion assuming sole responsibility for the total payments and costs of administration.

The Minister of Justice is a smart man, and you do not fool him very often. He knew what those proposals meant, and he stated that quite clearly in his report to the legislature of Manitoba.

Mr. Martin: We have done better than that, and have increased the pensions since then.

Mr. Knowles: The total amount of pension has been increased, with provincial participation, and in the case of some pensioners the federal government does now pay $30 as its share. But the Minister of National Health and Welfare (Mr. Martin) should know better than try to get me off the track. The eligible age should be lowered and the amount of the pension increased, but first of all I am contending that the most important hurdle to get over is the removal of the means test and the making of old age pensions universal for all Canadians. That is the main issue. It was the offer to do that and the denial by the Prime Minister that such an offer was made that prompts me to speak in the terms I am using now.

May I remind the house, particularly hon. members who were in the last parliament, that this whole question was discussed in the House of Commons a good many times during the twentieth parliament. We met for the first session of that parliament on September 6, 1945, and I find that on September 14 the then minister of national health and welfare, the present Minister of National Defence (Mr. Claxton), spoke in the debate on the address and dealt with the dominion-provincial proposals. I read this simply to show that the proposals as understood by the wartime information board, as understood by the press, as understood by the Canadian people, and as understood by the then premier of Manitoba, now the Minister of Justice, were confirmed by a member of this government on the floor of the house. I quote from page 182 of *Hansard* of September 14, 1945, where the then minister of national health and welfare is reported as saying:

> Then there are the proposals with regard to old age pensions. First, it is proposed that there shall be a national old age pension of $30 a month, payable by the federal government to everyone over seventy years of age and, second, a contribution by the federal government on a fifty-fifty basis to the cost of old age pensions, payable on proof of need to people between sixty-five and sixty-nine years of age, to be administered by the provinces.

Then again on page 183:

> These proposals now put forward by the dominion government are as generous as we can make them, while at the same time keeping the whole plan in balance, and workable. We have reached a balance in our estimates; the plan hangs together, and can be made to work.

Those are the words of the present Minister of National Defence: "the plan hangs together, and can be made to work." Against those words we must now place the words used by the Prime Minister on February 20 of this year when he said that there never was an offer of a pension without a means test and without contributions; that there could not be, because it just would not work.

[Mr. Martin.]

You see we are getting not only backtracking on promises, but a denial that the government ever made certain specific promises which have built up the hopes of the people of this country that the means test would be abolished.

A little later, on September 18, 1945, I was speaking in the debate on the address. It will be of no surprise to hon. members to hear that I was speaking on old age pensions. I asked some rhetorical questions which prompted the then minister of national health and welfare to interrupt. I quote from page 272 of *Hansard* of that date, where I am reported as follows:

> Incidentally, it is still only a proposal, and all the figures with reference to it in the proposals made at the dominion-provincial conference, and all the figures given by the minister in his address the other day, referred to the year 1948. I wonder why 1948; is that the year of the next election?
>
> Some hon. Members: Oh, oh.

Not a bad guess; I was only a year out. The report continues:

> Mr. Claxton: May I answer that now?
>
> Mr. Knowles: I suggest that we should have something more than proposals for the distant future.
>
> Mr. Claxton: May I answer the question now?
>
> Mr. Knowles: I shall be glad if the minister will.
>
> Mr. Claxton: Most of the figures for the proposal put before the conference were based on the year 1948. That was the first year following the war when we thought full conversion from war to peace would be in effect.
>
> Mr. Knowles: Has the government or the minister or anyone speaking on behalf of the government given any indication that the proposal of $30 a month is to come into effect any sooner than 1948?
>
> Mr. Claxton: It will come into effect as soon as the provinces agree to the proposals.

There you are; once again there is confirmation. They were only waiting for tax agreements between the dominion and the provinces; but given that condition, a clear-cut, well-defined proposal for a universal pension without a means test and payable to all was to come into effect.

We came back in 1946, and in the course of that session the subject came up once more. I should like to quote again from the present Minister of National Defence, who at that time still held the portfolio of health and welfare. At page 751 of *Hansard* for April 10, 1946, I find these words:

> Before that, social security legislation was studied by other branches of the government and in consequence the proposals made by the federal government to the dominion-provincial conference were worked out.

Please note, in view of the study we are now asked to make, by means of a special committee, that there was a study of this question before the proposals were worked out in 1945. I go on with the quotation:

> They are proposals which we believe can be carried out by the Canadian people and which will work to their advantage. We also believe that the burden can be carried by the Canadian economy.

The Prime Minister says now there never was any such offer, and that there could not be, even though the Minister of National Defence said on April 10, 1946, as he had said in 1945, that the proposals they had worked out had been worked out on the basis of study, and would work.

Further down the same page, and continuing on the next page, the then minister said:

> The plan proposed by the federal government to the provinces would provide for the payment of $30 a month without a means test to everyone at the age of seventy, and that it is estimated would cost $200 million in 1948.
>
> Mr. MacNicol: To every person?
>
> Mr. Claxton: Yes, over seventy.

I repeat, Mr. Speaker, that is the point in the whole issue that I am concerned about this afternoon—the universality of old age pensions, or getting rid of the means test. There is still the need for a higher pension and a lower eligible age, but first we must get rid of the means test. Hon. members are aware of the fact that we are receiving a great many representations these days on this subject. Admittedly that is one of the reasons why I am speaking about this matter, on behalf of the hundreds of people who are writing me, but I am also speaking about it because I firmly believe, from the study I have made of the question, that this is the most important hurdle to overcome. We can make other changes in old age pensions, but if we have not changed their application, if we have not made them apply to all our people, it will never be satisfactory. If we get a contributory system applying only to a limited section of the community, we shall have the same troubles they have been having with some of their plans in the United States. The first and the most important thing to do is to get rid of the means test and make the plan universal for all Canadians.

To carry on with my documentation of the government's position from 1945 until the Prime Minister uttered those strange words on the night of February 20, I ask you to turn to *Hansard* for June 18, 1947, at page 4283. We were then dealing with a bill to amend the Old Age Pensions Act in order to provide for certain increases that year. In this case the present Minister of National Health and Welfare is speaking, and at page 4283 he said:

> As part of its program in the field of social security, the federal government proposed a system of national old age pensions. This provided for the federal government to assume the full responsibility for paying pensions at the rate of $30 a month to all persons in Canada seventy years and over.

I hope the minister will not get up and say that they are now paying $30, which is the federal government's share of the pension of $40; because they are not paying it to all persons in Canada seventy and over, and that is the nub of the problem.

Mr. MacInnis: And not without a means test.

Mr. Knowles: If you take away the means test you pay it to everyone. The government has used both ways of defining the same thing.

I continue to read what the minister said at that time, on June 18, 1947:

> The federal government proposed these pensions for all eligible persons without any income or means test whatsoever, and the federal government proposed to administer this scheme directly and bear one hundred per cent of the cost, amounting to an estimated $200 million annually.

That was not a request, Mr. Speaker, made from this side of the house. That was a forthright statement made voluntarily by the Minister of National Health and Welfare, in which he confirmed the proposals made in 1945—confirmed them in the terms in which they were understood by the press and the people of that day, and in the terms in which they were understood by the Minister of Justice who was then premier of Manitoba.

Later on in the same speech I find these words:

> This, in broad outline, represents the proposals made by the federal government to the provinces with respect to the aged and the blind. These are an integral part of the objectives in social security which this government has set for itself as soon as satisfactory over-all arrangements on social security, fiscal and other matters can be made with the provinces.

Mr. Martin: That was right and still is.

Mr. Knowles: Just a minute; you were still talking in those days about dominion-provincial agreements as the one thing that was a condition precedent to the implementation of such a plan. The Prime Minister did not mention that the other night. His position now is that the offer of a universal pension paid to all without a means test and without contribution was never even made. He even went so far as to say such an offer could not have been made, it would not work, and anyway he did not believe in it.

Mr. Martin: Why not quote the Prime Minister's statement correctly?

Mr. Knowles: I have done so several times already. Continuing with what happened on June 18, 1947, the then leader of the opposition was speaking, and the present Minister of National Health and Welfare interrupted him several times. The record is to be found at page 4291 of *Hansard* of that date. I need not quote it. The whole point was that the then leader of the opposition was saying that the government had changed its position, and

the minister of national welfare rose on a question of privilege and said that the position had not been changed, that the position as laid down in 1945 was still the position of the government.

I now turn to page 4643 of *Hansard* of June 25, 1947. The present Minister of National Health and Welfare was again speaking, and he said:

> What my hon. friend can do is seriously to consider what I said about the government's over-all security proposals made to the provinces in August, 1945.

Listen to this:

> If he does not accept my assurances I call to witness the words of the present Minister of Justice (Mr. Ilsley) when he was Minister of Finance last July, when he said that once we had a fiscal understanding with the provinces, the government's social security program represented an essential part of the government's objectives. I call to witness the statement of the present Minister of Finance (Mr. Abbott) twice this year, once in Toronto and once in this house. I call attention to my own statements as a responsible minister of the crown. But if that does not satisfy the hon. gentleman, let me remind him of the words of the Prime Minister in a telegram sent to the premier of Saskatchewan on July 15, 1946, and reiterated three times since in subsequent communications. This is what the Prime Minister of Canada said:
>
> "As emphasized in the budget address, the public investment and social security proposals submitted last August remain an essential part of the dominion government's program. As soon as there is sufficient acceptance of the proposed tax agreements"—

That is the only condition—sufficient acceptance, not even total acceptance.

> "—we shall be ready to explore, in a general conference, or otherwise, the possibilities of working out mutually satisfactory arrangements in regard to the whole or any part of our earlier public investment and social security proposals."

I turn now to page 4708 of *Hansard* of June 26, 1947, and I find that again the present Minister of National Health and Welfare is arguing with the then leader of the opposition; and the minister points out:

> That portion of the old age pension scheme referring to the government's willingness to pay a pension to everyone seventy and over without a means test would cost the government over $200 million a year. These, as my hon. friend will appreciate, are not ordinary figures. The government's scheme was a plan in which every part had its place.
>
> Mr. MacNicol: What does the minister mean by "the government's scheme"?
>
> Mr. Martin: The proposals put forward by the government to the provinces in August, 1945. The government stands by these.

Mr. Martin: And still does.

Mr. Knowles: I am glad to hear the Minister of National Health and Welfare say that; I hope he will so inform the Prime Minister.

Mr. Martin: Nothing the Prime Minister said is in any wise to the contrary.

[Mr. Knowles.]

Mr. Knowles: The Prime Minister said there never was any offer of a pension without a means test and without contribution, and he said that there could not be, because it just would not work.

Mr. Fleming: The Prime Minister and the Minister of National Health and Welfare cannot both be right.

Mr. Knowles: A little further on we find the Minister of National Health and Welfare repeating his stand. This is on page 4715. I need not take time to read it; it simply reiterates all the assurances the minister had given previously, quoting again the Prime Minister's telegram to Premier Douglas of Saskatchewan and the statement of Mr. Ilsley on June 27, 1946, making it crystal clear that the offer of the government still stood, that the government stood by its proposals of 1945.

Then we get on to 1948, when, on June 16, as reported at page 5346 of *Hansard*, we find the Minister of National Health and Welfare saying:

> I am going to say in the kindliest way, as my colleague the Minister of Labour would say, because we have to be realistic, that we have made certain proposals to the provinces. The Prime Minister, the present Minister of Justice, the present Minister of Finance and I have stated the policy of the government with regard to those proposals. They still remain in their broad essentials the policy of the government of Canada.

After that came the Liberal convention in the summer of 1948, which adopted a long platform witih twenty-one planks. Plank 14 reiterated the 1945 dominion-provincial proposals. After that came the election campaign of 1949. Here is a Liberal advertisement which appeared in the Winnipeg *Free Press* just before the election, advertising the various Liberal candidates, including the hon. member for Winnipeg South (Mr. Mutch), who now says he does not advocate social security but rather social justice, which is a very fine distinction; but here is his picture right opposite the words "Vote Liberal—Social security."

Similarly I have here a couple of copies of a publication known as the "Canadian Outlook," put out during the pre-election period, in my city at any rate. From where you are, Mr. Speaker, you can see the headline "Security", and then these words:

> The Liberal platform is a living, progressive, practical program of expanding social security.

That was coupled with a warning that if by any chance there was not a clear majority of Liberals in this parliament, the country might not get broader social security. Well, see what we have: an overwhelming Liberal majority, and a denial by the Prime Minister

that the offer of 1945 was ever made. Here it is again in another of these pre-election pamphlets:

> Canada's business is your business. Keep Canada prosperous. Safeguard your security on June 27. Vote Liberal.

Well, Mr. Speaker, all this evidence simply makes it clear that what we declare to have been the understanding of the Canadian people is perfectly correct. Ever since August of 1945 they have understood that this government stood for the removal of the means test from the old age pension, and stood for making the pension universal for all Canadians seventy years of age and over, and possibly even younger. Now, however, we have this annoying and very disappointing denial by the Prime Minister; and I am speaking as I do today because I am convinced there simply must be a change in that position.

We hear a great deal of talk today about a contributory system. I want to say that as a matter of fact you cannot have anything other than a contributory system. The people on old age pensions today have contributed to the wealth out of which those pensions are being paid. They contributed to the building up of the economic well-being of this country. But there are other kinds of contributory systems. You could have one in which you would make a direct contribution in return for which you would get a pension based upon the amount of the contribution you had made. I hope we do not get a restricted system of that kind, for it is no better than the private life insurance companies can offer. There is another kind of contributory system under which everyone contributes to the cost of government through income tax, recognizing that one of those costs of government is social security, in return for which everyone would get the old age pension as a matter of right. I give the government this much credit; I believe that is what was in their mind when they made their proposals in 1945. I believe they had in mind that the financing of their proposals might involve adjustments or even increases in the income tax so that the total cost of old age pensions without a means test could be paid out of the federal treasury. That would be a proper scheme, because it would envision people paying according to their ability to pay, and drawing the old age pension at the proper age as a matter of right.

But what is happening now? The people who made those promises last June—especially the Liberals—are getting themselves off the hook by talking about an undefined contributory system, when they know it would take years before such a system could be brought in. One Liberal candidate at least was on the beam in this matter last June. I refer to the hon. member for Vancouver Centre (Mr. Campney) who, with some of that $21,000 he spent in his election campaign, advertised in the Vancouver *News-Herald* of June 13, 1949, saying:

> 6. I will fight for a contributory retirement pension plan for all persons over sixty-five as a right.
> 7. Pending the establishment of the foregoing act, I will fight for old age pensions to be paid to men of sixty-five and women of sixty without a means test, the pension to be large enough to ensure an adequate standard of living.

I wish that same member would get up in the house and express those views and fight for the things he said he would fight for, because all we are getting today is a lot of talk about a contributory system which is just an excuse for not supporting our demand for the removal of the means test. I want to say to the Minister of National Health and Welfare, the Prime Minister and those responsible for any steps that may be taken, that if you put old age pensions on a contributory basis first instead of first making the pension universal, you will bedevil old age security in this country for many years to come. That is one of the great problems they are facing in this field in the United States today despite the many good features of their legislation. It arises from the fact that they put it on a contributory basis and did not in the beginning include all United States citizens. Now the problem of extending the coverage is very difficult indeed.

The first thing we should do is precisely what the government proposed back in 1945. Just as what was put forward in 1945 represented a forward move in the thinking of the government about this matter, so .I believe it is extremely important that at this session of parliament the idea expressed by the Prime Minister the other day should be squelched at the first opportunity. I say that we should not let it go any further; that the important step, the move that must come first, is not getting the contributions started. That will come, and come easily. The move that should come first is getting rid of the means test and making the pension universal and payable to all Canadians. I say to hon. members who are getting these cards and petitions, as I am getting them by the hundreds, that I believe they emphasize the soundness of the position I am taking, that the removal of the means test should come first.

A moment ago I mentioned that in one of of the advertisements appearing in the Winnipeg *Free Press* of last June calling upon people to vote Liberal in order to get social security—imagine that—the picture of the hon. member for Winnipeg South appeared opposite the words "Social security". He catapulted himself into fame in this country by making an interesting speech in Toronto

some days ago, in which he said that some Liberals might be confused, but he was not; that what we need in this country is not social security but social justice.

Mr. Macdonnell (Greenwood): He was just trying out the ice.

Mr. Knowles: No doubt he was flying a kite. He said:

> Social justice means lifting the fallen, aiding the unfortunate, standing between the weak and those who may seek to oppress them.

But he also said:

> During the last federal election the Progressive Conservatives and the C.C.F. talked of social security. We Liberals in our platform distinguished between social security and social justice. I confess that some Liberals have failed to note the difference.

Well, that was a very interesting speech to read. He wants social justice; he wants to lift the fallen and aid the unfortunate, to stand between the weak and those who may seek to oppress them. But don't give them social security; just offer it to them in an advertisement just before election day. He went on to say that this talk about social security is fundamentally dishonest. I wonder about this talk of dishonesty when at election time you get this sort of thing—"Vote Liberal and get social security,"—and immediately thereafter you are told in a speech that the Liberals do not stand for social security but only for a vague thing called social justice.

Mr. Macdonnell (Greenwood): After all, they can still say they won the election.

Mr. Knowles: Oh, yes; that is the usual song —they won the last election. It will probably be their last win—

Some hon. Members: Oh, oh.

Mr. Knowles: My hon. friends may laugh, but they know that if they keep on going in this reverse direction so far as these social security proposals are concerned, they will have seen their last victory at the polls in this country.

May I say to the hon. member for Winnipeg South that while a great many people are taking his name in vain because of the speech he made in Toronto, at least he has found friends in the Canadian chamber of commerce. In their most recent newsletter they have an interesting little article entitled "Plain talk from Mr. Mutch". It says that his speech is going to make him some enemies, but it will also make him some friends, and I assume that the friends are amongst the people to whom this newsletter is sent. That speech of the hon. member for Winnipeg South, according to the report of it in this Canadian chamber of commerce newsletter, included this statement:

> The term "social security", Mr. Mutch is reported as saying, "is indefinable, immeasurable and dishonest."

I am just about through, Mr. Speaker, but I want to say something about that remark of the hon. member for Winnipeg South, to the effect that the term "social security" is dishonest. I do not know exactly what he meant, but I have a notion that he meant that it is dishonest to give people the impression that they can get something for nothing. May I say that the thing that I deplore most about the economic order we have at the present time is its dishonesty, as is spelled out by the fact that thousands, yes, millions of people, produce wealth the fruits of which they are not permitted to enjoy. The glaring fact about our economy today is that millions of people do not get the full measure of the wealth they create, whereas a privileged few get far more than they produce. It is that fundamental dishonesty, that injustice, that unfairness, that we are trying to correct by advocating proper measures of social security. I call upon this parliament, and particularly upon the Liberal members of it, to put all the pressure they can on the government to reverse the trend indicated by the Prime Minister on February 20, when he said there never was such an offer as a universal pension without a means test, that there could not be, and that it would not work. I call upon the government to get back to the essential soundness of the proposals that were made in 1945, namely, that our old age pension be made payable to all Canadians, regardless of any means test, on a universal basis, and without delay.

Mr. E. A. McCusker (Regina City): May I, Mr. Speaker, join with those who have preceded me in offering congratulations to the mover and the seconder of the motion for the address, and also to the hon. member for Edmonton West (Mr. Prudham) on his promotion to the position of parliamentary assistant. A few days ago this house went into committee of supply on the Department of External Affairs. The Secretary of State for External Affairs (Mr. Pearson) gave us a report on the operation of his department, and a general review of the international situation. He referred to some of the most important problems explored on his recent trip and conference, and stressed the generally unsatisfactory and anxious position in which the peace-minded democracies find themselves today on account of the hostile attitude and uncertain intentions of the communist-dominated countries.

He was alternately criticized and praised by those who followed in the debate. The hon. member for Peel (Mr. Graydon), who is absent today, complains that the department does not keep the members of this house in general, and the committee on external affairs in particular, fully informed on the current situation or on its plans for the future. He complains that the committee was not allowed to call before it for questioning Mr. Davis who was our ambassador to China. As one who opposed calling Mr. Davis before that committee, I should like to point out that the usefulness of Mr. Davis as an ambassador would have ended after one session in a committee in which he might be subjected to questions and his statements made public. I should like to have listened to his report on China; it probably would be most interesting; but I should like to see him continue in that service.

Those who are employed in positions such as the one occupied by Mr. Davis cannot be expected to report to anyone but the head of his department, or to the Prime Minister. I am afraid that we on that committee must content ourselves with the meagre information passed on by the department. When I say "meagre information", I do not accuse the department of withholding information to which we are entitled. We must realize that the department has certain information which it cannot divulge to a committee where it would be made public, and therefore we cannot expect them to do so.

I have listened carefully to, and studied, the speeches made on foreign affairs in this house since the opening of the session. While I congratulate all those who have spoken on the research they have done in the preparation of those speeches, I still maintain that the information contained in them is gleaned mainly from the many periodicals which fill our mail today, and is available to all our people. They cast no new light upon the problem, but tend to stress the personal fears and anxieties of those who have spoken. As far as I am concerned, the situation remains as it has been for the past few years, one of grave concern to which our Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs must give close attention; but the gravity of it must not be allowed to depress our people and develop in them an attitude, a complex of fear and futility. Because of this unfortunate international situation we are committed to large expenditures for the defence of democracy. Although the burden is heavy, I feel that we have the ability to carry it. We feel that within our resources we are doing everything that we possibly can do. There then remains for us who are not fully occupied in this task a duty to develop our country so that it can support these ever-growing expenditures.

Let me now direct the attention of the house to the many important practical problems which require our immediate attention. The first is unemployment. We all know that in this country, in which we have a severe winter climate, we are bound to find seasonal unemployment. This year some employers listened to the talk about depression, and curtailed employment beyond what they were justified in doing. In addition, the layoff in shipping has added to the unemployment. In the province from which I come we always have winter unemployment. This year it is greater than normal, but when the spring season comes around, which will be soon, and the people are able to return to the land, and when the construction projects that are in view are started, I feel that labour will be fully employed, and that all this unemployment will be absorbed.

The condition in Vancouver was aggravated by a great number of people who each winter go from the prairies to Vancouver looking for a warmer winter climate, and who seek positions there in order to help pay expenses for the winter. They were disappointed in their quest. In fact, I am told that the conditions in Vancouver and Victoria were so bad this year, with snow and slush so deep on the streets, that the older inhabitants had to attach outboard motors to their wheel chairs in order to get around; and this of course added greatly to the traffic congestion.

Mr. Cruickshank: Nonsense.

Mr. McCusker: There is not a member in this house who does not feel sorry for the unemployed and their families. I am sure we were all pleased with the rapidity with which the house came to their assistance by means of extension of the unemployment insurance benefits. I feel that the worker who is employed will not object to the additional premium of one cent per day, nor will the employer.

Those who contribute to that fund must have been happy to learn that it was substantial, safe and carefully administered. As the debate indicated, there are those who confuse unemployment insurance with plans to relieve unemployment. Surely there should be no confusion.

May I at this late date extend my congratulations to the Minister of Citizenship and Immigration (Mr. Harris) on his promotion

to cabinet rank. I am sure he will attack the problem of immigration with vigour and determination.

The hon. member for Cape Breton South (Mr. Gillis) informs me that yearly many boys and girls upon leaving high school in the maritime provinces have to leave home to seek employment in other parts of Canada and in the United States. The industries that formerly employed them there have gone. I feel that every effort should be made to induce the boys and girls to remain in Canada, and to assist them to remain. The minister should be given wide latitude in doing that. What is the use of bringing displaced persons from Europe and allowing our own educated boys and girls to leave the country?

To a great extent western Canada was first settled by teen-agers and they played a large and prominent part in developing the country. Mr. Isaac Pitblado, who was honoured the other day in Winnipeg, was one of those. He opened his law practice in Winnipeg at the age of nineteen. I believe the Minister of Agriculture (Mr. Gardiner) came to the prairies in his teens. He taught school there and assisted in developing the country. To him goes the honour of first advocating the franchise being extended to eighteen-year-olds. His ideas were considered too advanced at that time, but they bore fruit some time later; for the franchise has been extended to these people in Saskatchewan. I do not think it would do any harm if we extended it federally.

During the periods in which we were engaged in two wars Canada developed in wealth and national status with a rapidity that might not have been achieved in times of peace. It is true our sacrifices were great and our suffering considerable, but what can be achieved without sacrifice and suffering? Are we to allow the gains made in those years to slip away from us, to be wiped out, because we want security, wealth and comfort? I hope not. Today our purse is full. Never before have we enjoyed such prosperity. That prosperity will last just so long as we continue to develop our many resources with all our energy.

We have great deposits of iron ore in Canada. We have the Steep Rock mines in Ontario, and great deposits in Labrador. We have great deposits of coal in the maritimes. It is true there is no coal in close proximity to the Steep Rock mines, and that ore must go south. But need the ore from Labrador all go south to the smelters, and must our people follow it to obtain work? We have coal in the maritimes; we have the people to mine it. We have a steel industry there. Why not develop those two industries? A good steel industry in the maritimes would support the entire economy of that part of the country with a population three times as large as it is today.

There is coal in Alberta. There is oil in abundance in that province, and in the Lloydminster area of Saskatchewan. Should we not develop that as quickly as possible? The Imperial Oil Company is building a pipe line, which will be completed to Regina in October of this year and on to Superior early next year. The oil from Superior will be taken down to Sarnia and Toronto by boat to be refined. Today Montreal receives its oil from South America. There is a pipe line from Portland to Montreal. I understand there is another pipe line to be built there. Why not build a pipe line from Parry Sound on the Georgian bay to Ottawa and on to Montreal and use the western oil? In the event of war does Montreal think or do we think that Montreal will have an uninterrupted oil supply? I think not. Because of the many submarines that Russia has today I think it will be considerably interfered with. Parry Sound is only 225 miles from Ottawa and 325 from Montreal. Why not build a pipe line now while we are at peace?

I should now like to direct the attention of the house to irrigation. In Alberta today there are approximately 175,000 acres under irrigation. There is a large beet industry there which employs a large number of people. Along with the beet industry there is a canning industry, because the beet crop must be rotated with garden crops and so garden crops are grown. In Canada we produce only 10 per cent of our sugar requirements. Here is an industry which we could develop quite easily. I was told by some of the men who were attending a beet growers meeting here in Ottawa recently that they are feeding 60,000 head of cattle and 125,000 sheep on the by-products of that industry in Alberta this winter. It is an industry that employs a considerable number of people.

The St. Mary river dam project is nearing completion. When it is completed it will bring under irrigation in the Lethbridge and Medicine Hat areas approximately 500,000 acres of land. I might almost say under cultivation, because in the dry years there is not much cultivation in that part of the country. The project at Red Deer will bring another half million acres under cultivation or irrigation. In addition it will supply 20 million kilowatt hours of electricity for sale a year. The greatest project of all is the one on the Saskatchewan river at Elbow. It will provide water to irrigate 650,000 acres of land. In addition to that it could produce yearly 435 million kilowatt hours of electricity. That is sufficient to supply one and a half times the needs of

the province at the present time. It will produce revenue sufficiently large to pay for the project itself in about 40 years. Yet I am amazed to find that in the agricultural estimates this year only $1 million appears for this project, half of what was there last year. I understand the difficulty is that no agreement has been made between the provinces and the federal government as to the proper allocation of costs of distributing the water after the dam is built.

I think hon. members to my left, the C. C. F. and the Social Credit groups, could do a great service to this country and to the provinces of Alberta and Saskatchewan by impressing upon their friends in the governments of those provinces the necessity of an early agreement in this matter.

Mr. Wylie: Especially the Liberal government.

Mr. McCusker: Wait a few more years and you will be able to talk to a Liberal government in Saskatchewan. I do not want to have to wait that long for this project to be proceeded with.

Mr. Wylie: You never know what you are talking about.

Mr. McCusker: I cannot let this opportunity pass without saying how pleased I am to see that the Minister of National Health and Welfare (Mr. Martin) has a resolution on the order paper having to do with old age pensions. I am glad to know that he intends to place this matter before a committee where all views can be submitted and heard. I think that committee is the place to hear it, and that all hon. members will be glad to remove from this chamber much of the tiresome debate to which we have had to listen on that subject to date. Let us have those matters settled in committee.

Let me say to the hon. member who has just taken his seat that during the last campaign I said, and I have said it also from the floor of the house, that I was in favour of old age pensions without a means test, but on a contributory basis. That statement was quoted in all my literature. I repeated it when I was home this year, and it is a view, may I say, that meets with the approval of the majority of the people in Regina.

Mr. Quelch: Would the hon. member say what he means by the word "contributory"?

Mr. McCusker: I shall take the hon. member aside and explain it to him later. I have not the time to do so now because I have other things to say. There are a few other matters to which I should like to refer, now that I am on my feet. One of these is the Hudson bay route, a road which has been too long neglected and to which I suggest attention must be paid. However, I understand another hon. member will refer to this matter in greater detail at a later date.

We have in Saskatchewan an office in connection with the Prairie Farm Rehabilitation Act. In that office we find a group who are doing good work for the rehabilitation of farmers in the western part of the province, and especially in the area of Gull lake, and Maple Creek which is represented by the hon. member who the other day made what I thought was a jocular remark with respect to dividing the province. He may feel it is necessary to do that to get rid of the government we now have in Saskatchewan. That is not my view however, because I think they are on the way out now—just waiting for the next election.

Let me tell the house why I believe they are on the way out. About 1941 or 1942 the Imperial Oil Company came to Saskatchewan and initiated a program of exploration and drilling for oil. It was their opinion that the main pool of oil lies under Saskatchewan. With that in mind they brought in drilling and seismographic crews. Then the C.C.F. government took office and passed confiscatory legislation, with the result that the crews left the province and went to Alberta, where they felt they would receive a fair deal. Those crews which were driven from Saskatchewan to Alberta were responsible for the discoveries of the Leduc and Redwater fields, and other discoveries in the area.

The good fortune Alberta is enjoying today might have been ours, had we had more experienced people in charge of our government.

Mr. Blackmore: If you had had a Social Credit government in Saskatchewan you would have had the development there.

Mr. McCusker: It might be worth while even to put up with a Social Credit government if we could have that development.

Mr. Blackmore: You are right.

Mr. McCusker: Because we would have some compensation for it.

On this occasion the ordinary private member has an opportunity to review the requirements of his constituency. As it happens, I am fortunate today in that I am asking for my constituency something of national importance. I wonder if the Minister of Justice (Mr. Garson) is aware of the condition of disrepair into which the buildings of the Royal Canadian Mounted Police at Regina have fallen. This condition is not due to neglect, but rather to the age of those buildings, some of which were built as long ago as 1882 or 1883, and

some even earlier than that. They are on rubble foundations and are no longer safe. The small chapel was at first a wet canteen. That building was enlarged and converted into a chapel. Today it stands as a pleasing memorial to those in the force who lost their lives while in pursuit of their duties. It would be a shame to fail to repair that building, or to permit it to be destroyed. It has great tourist attraction. Then, the barracks buildings are inadequate because, as we know, the force is constantly being enlarged. Regina is a training centre, and there is great overcrowding at that point. It is also necessary to provide additional accommodation for the instructional staff. I hope the Minister of Justice will bear these facts in mind and see that attention is given to them.

Since coming to the House of Commons I have heard many hon. members tell us what a great people we are. We take pride in our new national status. Our representatives return from abroad to tell us of the high esteem in which we are held. Today, Mr. Speaker, we have an opportunity to prove whether we are worthy sons of those great pioneers. Though the international horizon be cloudy, though our defence burdens be heavy, though our domestic problems be great, our opportunities are equally great and unlimited. In the manner in which we apply ourselves to our duties will be found the answer as to whether or not we are a great people, a nation.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, it is a great pleasure again today to speak from the newest province and to extend congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply. Unfortunately I did not have the pleasure of hearing them speak, but I read their speeches carefully and I must say they were excellent in every way.

I did not hear them for two reasons. The first of these, the weather, is something over which we have no control. However, the Canadian National Railways, the second of those conditions, is something about which I feel the Minister of Transport (Mr. Chevrier) could do something. I have in mind particularly the conditions at Louisburg, Nova Scotia. However, I shall not deal with that matter now because I believe it might be discussed more appropriately at a later time.

Referring to the speech from the throne my leader (Mr. Drew) said, as reported at page 38 of *Hansard*:

> As to the speech from the throne itself, it contains so little of a definite nature that any remarks which may contribute to the effective consideration of our problems necessarily must be related more to what the speech from the throne does not say than to anything it does say.

[Mr. McCusker.]

In the old days of the parliament in Newfoundland we had an expression which would seem to sum up what was said by the leader of the opposition. We would have said that the speech from the throne was more remarkable for what it did not contain than for what it did contain. Or, as one of my constituents said in a letter to me the other day, "Heap big smoke; no fire".

In the few remarks I shall make I intend to deal only with provincial matters. Perhaps it is better that I follow this procedure because the problems of the new province are not yet well known. I believe that, on every possible occasion other members from Newfoundland and I are permitted to inflict our views upon the house, we should try to direct the attention of hon. members to Newfoundland and its problems.

When the other day the Minister of Veterans Affairs (Mr. Gregg) unequivocally refused to set up a parliamentary committee on veterans affairs I was greatly disturbed, because among the requests received by members from Newfoundland was one from our great war veterans association asking in particular that such a committee be set up. I found it necessary to reply to them by stating that for some reason or other, which we had not yet been able to ascertain, we had received only a blunt refusal to their request. Furthermore, in the letter received there was a request that we support the Legion's recommendation for increases in the basic rates of war veterans' and widows' allowances from $40 to $50 per month for single veterans and widows with no dependents, and to $80 per month for married veterans and widows with dependents. The brief of the dominion executive council of the Canadian Legion, presented I believe in November of last year, stated that in some provinces the recipients are receiving less than they would under the Old Age Pensions Act. The Legion appreciated the extra aid given but stated that it feels strongly that a general increase in the basic rate would be more satisfactory to all concerned. I trust that the minister and the cabinet will take under advisement the necessity of reconsidering the decision already given in this matter.

I notice the Minister of Transport (Mr. Chevrier) is not in his seat, but I should like to take advantage of this opportunity to draw to his attention a situation that exists at Gander airport. Owing to a regulation passed during wartime the erection of new buildings is not permitted within five miles of the airport. The result is that housing conditions are simply scandalous. Families are paying $110 per month to live in old converted

barracks. This is a ridiculous situation and I trust the necessary action will be taken to have the regulation rescinded immediately.

As the hon. member for Winnipeg North Centre (Mr. Knowles) just said, all hon. members are receiving requests with respect to old age pensions and the removal of the means test. Along with the other Newfoundland members I have received a great number of these. The Prime Minister (Mr. St. Laurent) more or less intimated the other day that Canada could not afford to pay for such pensions, but in view of the able argument put forward by the hon. member I am convinced that that legislation should be on the statute books.

I concur in what was said by the hon. member for Skeena (Mr. Applewhaite) with regard to the establishment of a coastguard. I spoke in this chamber last session with regard to that matter. The hon. member indicated the necessity for such a service on the west coast of Canada. As you know, the wise men come from the east and all I can say is that the need on the east coast for such a service is as great as it is on the west coast. I am in favour of a coastguard modelled on the United States coastguard. No blame can be attached to the R.C.M.P., who operate the present set-up, but I submit that they certainly should not have to do that work.

There is another matter I should like to raise but I do not know just what value my argument may have. As hon. members know, there are now three senators from Newfoundland and three more are to be appointed. I suggest to the Prime Minister that he act in accordance with past precedent when new provinces came into confederation and not appoint all the senators on party lines. When the new appointments are made I suggest that he go outside his party and appoint those who are other than Liberals.

There is another matter I should like to bring up, and here again I do not suppose there is much hope. Owing to the uncultured state of Newfoundland before we entered confederation all books were allowed to come in duty free. Since confederation any books coming into Newfoundland from the United States must pay duty. It would not cost the country very much and would be of great help, even to the people in older Canada, if the duty on books were removed. I can assure the government that the people of Newfoundland would welcome that move very much.

The speech from the throne referred to the dominion-provincial conference held in January. The parliamentary assistant to the premier of Newfoundland stated on February 15, when the Newfoundland legislature was opened, that he had been present and could not help but notice the high regard in which the premier of Newfoundland was held by all the people in Ottawa. He said that from what he could see and hear there appeared to be only three premiers at the conference, the Prime Minister, the premier of Quebec (Mr. Duplessis), and Mr. Smallwood. He compared them to Churchill, Roosevelt and Stalin, although he did not particularize which was which. I would think that there was a fairly good foundation in fact not to compare the Prime Minister with Joe Stalin. I doubt if the parliamentary assistant would compare his own premier to Stalin. It would appear to me as if we may be getting ready for war between Quebec and Newfoundland over the Labrador boundary. That by the way.

It was stated in the speech from the throne that employment and prosperity remained at a high level, but as far as my part of the country is concerned that statement is not borne out by the facts. As I stated earlier, I am not going to refer to the over-all picture but only to the picture as it presents itself in Newfoundland. The present outlook there is bleak indeed. The number of unemployed is high and the prospects are far from bright. In January the men engaged on relief work, apart from those receiving unemployment insurance or unemployment assistance, numbered 10,237.

The minister of finance of Newfoundland issued a message at the end of the year in the *Daily News*, stating that it was expected that that province would close the year on March 31, not with a cash surplus of $40 million but with one just under $32 million. He said that a total of $8,500,000 would have been expended from the cash surplus during the year. For the eight months April to December there was a deficit of over $4 million on current expenditure. When it is realized that the entire revenue for that period is around $20 million you will realize how grave the situation is.

Iron ore for Dosco at Sydney is supplied largely from Bell island, but the mines there are having a difficult time. It was expected that a contract with the British steel makers for the delivery of 1,500,000 tons per year for ten years would have been entered into last year, but the British government would not consent because of the exchange situation and the deal fell through. Permission was given to complete the balance of the 1949 contract. Last November a possibility appeared to sell 1,125,000 tons to be delivered this year, made up of 300,000 tons to Western Germany—Germany before the war was always a great market for our ore—300,000 tons to England and the remainder to the steel plant at Sydney. Unfortunately

this deal also fell through. I understand it was to be financed more or less by means of Marshall aid, and whatever happened—I think it was the curtailment of funds more than anything else—the deal also fell through. At the present time the only prospect in sight is the amount of ore to be shipped to Sydney, some 700,000 tons, and from the latest information we have it may be reduced by another 100,000 tons.

The present position at Bell island is that they are only operating two mines on a five day a week basis, and that there are some 1,000 men actually unemployed out of a working force of 2,000. From the best advice that we can secure this situation is going to continue, and there may be an even bigger reduction in the number employed because I understand they are modernizing the plant and putting in new machinery, which naturally will cut down on employment. I take it that is generally the result of installing machinery. That is what the hon. member for Cape Breton South (Mr. Gillis) tells me, and he should know. At all events the situation is causing grave concern not only to the people of Bell island but also to the provincial government.

In order that the necessary action may be taken, I should like to draw to the attention of the minister concerned the fact that some difficulty has arisen in the payment of unemployment insurance cheques and there has been great dissatisfaction. Cheques have not been received regularly. Some of these people have been kept waiting over two months, and they have to travel twelve miles by land and water to St. John's to get their cheques. I trust that action will be taken to see that these people who have no money, and who have to get to St. John's as best they can, will be able to receive their unemployment insurance payments without having to wait two months and be paid at Bell island.

The provincial government have undertaken relief work in Newfoundland, as I think I said during last session, and the burden has been considerable. So far the Newfoundland government has expended $1,250,000 on unemployment relief, a tremendous amount of money for that little province, and how long it will be able to keep it up is very difficult to say. So long as we have a voice in this house there is one matter which we will raise. We want the terms of confederation revised upwards. They must be revised if Newfoundland is going to be able to keep up with the other provinces of Canada.

There is another matter that has only come to my attention recently, although it should have before. In talking to some of the business people of Newfoundland they have pointed out that there is a factor which was never mentioned in the confederation discussions, and which should have been. I refer to the great benefit that Canada is receiving now from increased trade, something that she did not have before. Most of our former trade with the United States is now being carried on with Canada. In other words, Canada is selling to Newfoundland $40 million more than she sold before confederation. That is a considerable factor and should certainly be borne in mind when we ask to have the terms revised, as we will have to very shortly.

I had hoped that fishermen would be included in the amendments to the Unemployment Insurance Act. I presume they could not be, although I do not know the reason why. It seems to me to be a great pity that some scheme cannot be worked out whereby fishermen could be covered under the Unemployment Insurance Act. What has become of these poor people who do not qualify for unemployment insurance? There is no federal agency taking care of them. They are left chiefly to charitable organizations, and that is a most ridiculous situation in a country which we heard described last year by the hon. member for Spadina (Mr. Croll) as a welfare state. As I have already said, there is a considerable amount of unemployment, and a lot of it can be attributed directly to confederation. That is a pretty harsh statement. I realize that even the most rabid anti-confederationist cannot blame confederation altogether for that fact, but even the most partisan—and I include hon. members on the other side of the house from Newfoundland—supporters of confederation must agree that the hitting of our secondary industries and the closing of a number of them can be directly attributed to this fact. I understand that some half a dozen have closed already, and the remainder are making a very gallant effort to keep running, but what happened in the case of the maritimes, as is known so well to maritime members of the house, will happen in Newfoundland in so far as the secondary industries of the province are concerned. The best proof I can give of that—and I am sure you will understand that I do not say this because I was an anti-confederate—is that, if I may use slang language, it comes right from the horse's mouth.

I should like to refer to the submission of the government of the province of Newfoundland to the royal commission on transportation, and particularly to that section of it dealing with the economic outlook for St. John's. Practically all of our secondary industries are located there. The submission reads:

The impact of confederation upon St. John's as the chief trading and distributing centre of the island will be revolutionary. Heretofore it has been the chief receiving centre and distribution point for imports into Newfoundland. Because of the diversion of trade from sources of supply in the United States of America and Europe to Canadian suppliers, and because of the re-routing of imports through gateways more contiguous to the mainland than St. John's, this import business, with its consequent distributing trade, will be lost irrevocably to the capital. It is safe to say that in time the trading and distributing activities of St. John's will be limited largely to the Avalon peninsula. This prospect poses a matter of grave concern to that section of the population residing within and around the Avalon peninsula. It is of particular moment to those resident in St. John's.

No basic industries exist in St. John's. No natural resources capable of providing a basic economy are to be found within its immediate vicinity, with one exception. It therefore follows that with the falling off of import trade through this port, and the consequent loss of its primary position as the distributing centre for the island, an alternative economy must be built up or St. John's will not only fail to maintain its present position, but must inevitably suffer a decline in trade and employment of serious and far-reaching proportions.

The local industries located within the area may exist precariously for some time to come, but it is difficult to see how manufacturing concerns within St. John's can compete effectively with mass-producing units engaged in the same line of business on the mainland.

There is one ray of hope in this dark outlook. It is to be found in the establishment at St. John's of a great producing and processing centre for the products of the sea. The harbour is ice free all the year round—

This is a misstatement so far as this year is concerned.

—and for this reason it can be utilized as a base for such an operation.

So, Mr. Speaker, in the vernacular this submission, which comes from the Smallwood administration and can therefore be taken as unbiased, means that the outlook is for St. John's, one of the oldest cities on this side of the water, as a result of confederation to become nothing better than a fishing village. That is the most it can hope for; and that is not a nice picture. I do not know what will become of the people who are going to lose their livelihood as a result of our local industries closing. The sad part of it to me, and to many others who think as I do, is that the only alternative appears to be for the people who are now engaged in these secondary industries to increase the population of the other provinces of the dominion. Without doubt we are going to see mass emigration from Newfoundland in the years ahead.

I am glad to learn from the speech from the throne that it is proposed to amend the price support legislation. I trust that these funds will be made available to the fishermen of Newfoundland because, as I have said before, the backbone of our economy is the salt fish trade. A number of Newfoundland merchants engaged in the fish trade are in this city today; and their chief purpose in coming to Ottawa is to interview the cabinet in an endeavour to arrange for the conversion of sterling. I know this problem of sterling conversion exists throughout Canada, but I do submit that the people of Newfoundland must be given special treatment for some years to come. After all you must remember that here on the mainland you have a pattern that has been woven over many years. We are now trying to come into that pattern, but it is utterly impossible to expect us to do so at once, particularly with respect to our export trade, chiefly the fish trade, where we have been dealing in markets that have no substantial attraction for the other provinces of Canada. So it is going to be very difficult for us to be assimilated into your general trade pattern unless special treatment is given our province. The special treatment we ask—and I know this will be supported by all hon. members from the province—is that for a few years to come you arrange for the conversion of sterling in connection with the fish trade. It will not amount to very much. At the most in a single year it will not exceed $15 million, but that $15 million means the difference between life and death for Newfoundland. So I ask the members of the cabinet to give serious consideration to the request which I understand was presented to them today.

There is still another matter; we are great people for asking, and it is just as well to put all our needs on record. As hon. members are aware, our seal fishery has been of historic note for many years as a source of livelihood for our people. This year the seal fishery is being carried on by only three ships. One of those ships comes from the mainland of Canada; the other two are being sent out by the firm of Bowring Brothers, I believe chiefly for sentimental reasons, because of their long connection with the seal fishery. What is the cause of this? The reason is that seal oil is no longer used by manufacturers in Canada, who instead are using United States dollars to buy vegetable oils. I submit in all honesty that these manufacturers should be required to buy marine oil at the same price they are paying for vegetable oil from the United States. The seal oil is just as good, and I do not know why they no longer use it. Certainly I feel this action should be taken. It would be a great help to us; it would relieve a good deal of unemployment and at the same time would conserve United States dollars. So I believe this suggestion is well worthy of consideration.

In discussing the matter of secondary industries in Newfoundland the question of freight rates is most important. I feel very

strongly about this question, and there has been a great deal of publicity about it at home. When I say "at home" I am referring to my province; I cannot quite fit into the pattern here as I should, even yet. The position with respect to freight rates is this. As a member of the original delegation to Ottawa in 1947, accompanying the present Secretary of State (Mr. Bradley) and the hon. member for Grand Falls-White Bay (Mr. Ashbourne), I had a very clear understanding of the matter, and I am sure those two hon. members had the same clear understanding. As far as freight rates were concerned we understood that Newfoundland was to be placed in a position which would enable it to compete, by being treated as the maritime provinces are treated. That was the definite, clear understanding and undertaking that we took home with us. That was the understanding and undertaking given to those who signed the terms of union in 1948, and that has been the understanding of those who have discussed the matter.

What has happened? Instead of carrying out that undertaking an entirely different tariff rate has been applied to Newfoundland. Our tariff rate is C17 as against tariff rate C19 for the maritimes, and as a result my province has had to pay an overcharge of 28 per cent. Let me give a few examples so hon. members will be able to follow the trend of my argument. The figures I intend to give do not include the last 16 per cent increase; they were made up before it went into force, and I could not get up-to-date figures because the tolls have not been filed as yet. These are the old figures, which I presume will be increased by 16 per cent; and here is the position. From Bic, Quebec, to Campbellton, New Brunswick, the distance is 133 miles, and the charge for carrying 100 pounds of class I freight is 66 cents. The distance from St. John's to Clarenville, Newfoundland, is 131 miles, and the charge for the same quantity and class of freight is 76 cents. From Saint John to Blackland, New Brunswick, the distance is 254 miles. The charge for the same quantity and class of freight is 79 cents. For a distance of 253 miles from St. John's to Lewisporte, one mile less, the charge is $1.02. From Saint John to Campbellton, New Brunswick, is 276 miles and it is also 276 miles from St. John's to Grand Falls, Newfoundland; yet to carry 100 pounds of class I freight in New Brunswick the charge is 83 cents, while in Newfoundland the charge is $1.05.

By a peculiar coincidence, the tariff rates on all classes of freight from Oak Bay, Quebec, to Halifax, Nova Scotia, a distance of 405 miles, are exactly the same as the rates on the same quantity of freight from St. John's, Newfoundland, to Grand Falls, Newfoundland, a distance of 276 miles; the same price is charged for 405 miles as we Newfoundlanders have to pay for 276 miles.

The final example I shall give you, Mr. Speaker, is from Sydney, Nova Scotia, to Upsalquitch, New Brunswick, a distance of 547 miles; the charge is $1.14 for 100 pounds. Yet for exactly the same distance from St. John's, Newfoundland, to Port aux Basques, the charge is $1.62.

In order that hon. members may be aware of what has happened, may I point out that the government of Newfoundland applied to the board of transport commissioners to cancel the existing tariff—that is, the tariff from which I have just quoted—and to substitute therefor tariff and tolls based on the rate structure now in effect in the maritime provinces. This application was based on section 32 of the terms of union, and was refused by the board in a judgment delivered on February 14 last. Subsections (2) and (3) of section 32 of the terms of union read as follows:

> (2) For the purpose of railway rate regulation the island of Newfoundland will be included in the maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic.
>
> (3) All legislation of the parliament of Canada providing for special rates on traffic moving within, into, or out of, the maritime region will, as far as appropriate, be made applicable to the island of Newfoundland.

As many hon. members will recall, when this matter of freight rates was being discussed at the first session of this house in 1949, a number of those still here engaged in the discussion. As reported at page 608 of *Hansard*, the Prime Minister (Mr. St. Laurent), referring to this particular agreement and these freight rates, stated:

> This matter was fully gone into with the representatives of Newfoundland, who were also quite concerned about it, and the best we could tell them was that the board of transport commissioners would have to take that into account.

Then again on the same page:

> That is something also which was carefully discussed with the representatives of Newfoundland, and they were told that all these matters would have to be taken into consideration by the transport commissioners. What is provided is that this connection to Port aux Basques is a part of the railway rate, but the maritime rate will apply within Newfoundland. It does not apply now to the traffic carried by water from Halifax to any point in Newfoundland; but in determining what will be proper rates to charge for rail movement the board will have to take all appropriate factors into consideration. The delegates from Newfoundland finally were satisfied with this position: that we do not want to have things happen which will interfere with the economy of Newfoundland, and we do not want things to happen which will interfere with the usual trading practices of the maritime provinces. We hope that instead of there being interference there will be promotion of trade relations, and that is something with which the board of transport commissioners will have to deal.

Then as reported at page 619, the Minister of Transport (Mr. Chevrier) stated:

> Under the bill the Canadian National Railways is required to file tariffs with the board of transport commissioners on March 31, assuming that confederation takes place on that date, and assuming also that the lines of railway on the island of Newfoundland and the steamer service between North Sydney and Port aux Basques are entrusted to the Canadian National Railways on the same date. Such rates will have to conform to the general pattern of rail rates in the other provinces of Canada; otherwise they would be discriminatory. Discriminatory rates, either higher or lower than in the same general territory, cannot be maintained under the Railway Act. Therefore, as stated, the rates will follow the general pattern of the rates in the other provinces.

I would ask you, Mr. Speaker, to note that word "discriminatory", because it is exactly the same word that is found in the judgment of the board of transport commissioners, and I read from the last page of that judgment:

> This subsection may also mean that the rate structure in Newfoundland is to be in general conformity with the rate structure in the other maritime provinces. But we do not think there is anything in this subsection to affect in any way the principles upon which the board has acted in the past in regard to discrimination under the provisions of the Railway Act.

The board apparently thinks it can discriminate; the Minister of Transport apparently thought it could not. The present position is that this matter is now met by the formal approach of the premier of Newfoundland to the cabinet, I believe made today, and a request from him that this section of the terms of union be honoured.

All I have to say is this, Mr. Speaker. As it was generally understood by all of us, and as the Secretary of State (Mr. Bradley) was a member of that delegation, and the hon. member for Grand Falls-White Bay (Mr. Ashbourne) and I myself were members of the first delegation, and as members of the Liberal party in Newfoundland campaigned using that understanding as one of their arguments, I therefore say that there is only one thing for all the members from Newfoundland in this house to do with the exception of my learned confrere the hon. member from St. John's West (Mr. Browne), who did not actively participate at that time. I say in all sincerity that if the cabinet does not honour that agreement that was understood by us, the Newfoundland members should resign. It may be said that it is not written into the terms of confederation but certainly it was understood by us. Unless therefore we are put on the same basis as the maritimes, in the matter of freight rates, then I say that in all honour the only alternative is for the Secretary of State, the hon. member for Grand Falls-White Bay and the other members of the Liberal party from Newfoundland, to resign from this house.

Mr. Ashbourne: On a question of privilege, Mr. Speaker, may I suggest that the hon. member—

An hon. Member: Ask your question.

Mr. Deputy Speaker: Order. The hon. member should be allowed to state his question of privilege.

Mr. Ashbourne: The question of privilege is this. How can one member speak for someone else? I suggest that the hon. member speak for himself. I am here to speak for myself, and the Secretary of State can speak for himself.

Mr. Higgins: Let there be no misunderstanding about this matter. I speak for myself entirely. What the other hon. members of this house do is their own affair. But as for myself, if this agreement is not honoured by the cabinet, I am resigning from this house and I am going back to Newfoundland where I shall endeavour, by all possible means, to have the province of Newfoundland secede from confederation. That is what I intend to do if this promise is not honoured. That is all I have to say.

Mr. Lennard: He is speaking for himself now.

Mr. A. W. Stuart (Charlotte): My opening remarks, Mr. Speaker, will be congratulations to the mover and the seconder of the address in reply to the speech from the throne. I wish to compliment them sincerely. I think their contribution was worth while and was well delivered.

After having listened to the remarks by the member from Newfoundland I think that the house will have, when I have finished, a good idea that the members from the maritimes are much dissatisfied and in many cases are much of the same mind.

The particular part of the speech from the throne in which I was interested was a section which dealt with trade relations between the various countries of the world who were willing to trade with us. That is one of the most important things we have to deal with in the maritimes. We are in a different position from that of many parts of Canada, since we are practically wholly dependent on the United States for our markets. For that reason the closer relationship there is between the United States and Canada and the better trade agreements that can be arranged between the two countries the more beneficial it will be to our part of the country.

On many occasions in the house we hear discussions on unfavourable trade balances. As a rule when that condition does prevail every effort is made to rectify it. But I often

wonder whether we give sufficient consideration to the unfavourable trade balances as between the provinces of the dominion. That is the great problem that faces the maritime provinces. At this point I might say that we have found it much easier to break into the markets of the United States than into the markets of central Canada. We have always been able to deal with the United States; we have always been able to get along with them even though the things that we produce are also produced in the United States. They have always been very considerate of us and we consider them our friends.

During the war we were told that it would be necessary to centralize industries in this part of Canada, and that after the war it was hoped that the centralization of industry would be discontinued, and that we in our section of the country might expect a better break than we had received in wartime. Many of the war plants in Ontario and Quebec, to the construction of which we paid our proportionate share, were practically given to industries in the two central provinces immediately after the war. I have seen them in Hamilton and in other parts of central Canada. We paid our proportionate part to build these very fine structures. After the war, instead of the maritime provinces receiving what they considered belonged to them, these properties were practically given away to create new industries and to induce other industries to come to the two central provinces. It was the same old story that we have had since confederation, centralization of industry.

There is a point that I wish to make, which I feel will be discussed openly some time in the near future, and which is of great interest down in my section of Canada. During my five years in Ottawa I have heard hon. members from Ontario and Quebec, who I believe were sincere, say that they would like to have an opportunity to assist the people in less fortunate provinces. We believe that today they have that opportunity. It is only a few years ago that an hon. member from Ontario visited the maritime provinces. He was the former member for Davenport, Mr. John R. MacNicol, a most distinguished Canadian. Speaking in Saint John city on that occasion he had this to say, according to the Saint John *Telegraph-Journal*:

> It is an outrage against the maritime provinces that the (Chignecto) canal was not built fifty or seventy-five years ago. I say further that the building of that canal would revolutionize the whole economy of the three maritime provinces.

He went on to make further flattering statements about the maritime provinces. I believe he was sincere in every way.

In the province of Quebec and in Labrador we have enormous quantities of iron ore, which has been discovered within the last few years. Iron ore cannot be manufactured without coal, and so far as I know there is no coal in Ontario or Quebec. Therefore it would be necessary to ship this iron ore to central Canada, and then use United States dollars to import United States coal if this industry is to be centralized where most other industries are. That idea has already been strongly suggested by many papers in Ontario, and by many people. At this point I should like to quote a short statement from *Maclean's*, which is a national magazine, read all over Canada. It was written by "the man with a notebook." It is dated February 15, 1949, and reads as follows:

> If the seaway does go through, Ottawa of course will stand up and cheer.

He is referring to the deepening of the St. Lawrence waterway in order to provide means of bringing Labrador ore into central Canada. I fail to understand why we from the maritime provinces who sit in the House of Commons should stand up and cheer over the announcement that the St. Lawrence waterway was being deepened. In other words, the people in the central provinces expect the maritime provinces to make their proportionate contribution toward the deepening of the St. Lawrence waterway in order that the ore that should be manufactured in the maritimes may be taken to central Canada to be manufactured so that they may enjoy the benefits. To me that is merely a selfish statement. It goes on to say:

> High tolls on Labrador ore would divert it from the great lakes area to the Atlantic seaboard.

I realize that in the eyes of a person living in central Canada that would be a terrible calamity; but in the eyes of the people living in the maritime provinces that would be the logical thing to do, and the economical thing as well. It would be the logical and economical thing to manufacture Labrador ore where there is coal. I am certain to hear arguments propounded in the house sometime in the near future as to why this ore should be manufactured in central Canada. I realize that we are going to be asked to stand up and support it. That ore could be taken a much shorter distance to where we already have coal, and we already have a problem in connection with our coal industry. Markets cannot be found for maritime coal. We are told that it cannot compete even as far west as Montreal. If the hon. members from central Canada are sincere this is their opportunity to assist the maritime provinces. Here is the opportunity from an economical standpoint, and from the standpoint of the saving of

United States dollars, to make every effort to manufacture this ore in the maritime provinces.

When the Chignecto canal is built—and I hope it will be—much of this ore may be manufactured on the Atlantic coast of the United States. I have no doubt that some people would not like to see that happen, but I would love to see these people get Canadian ore. They have supplied us with ore for many years. They have supplied us with many commodities that we were not able to produce in this country. I would never take the selfish attitude that it should be kept at home. If we have a surplus we should not hesitate to sell it to our neighbours to the south who have always given us most generous consideration.

I should like to read another article at this time from the *Northern Miner,* of recent issue. This is along the same lines and, speaking about Labrador ore, states:

> With the domestic iron production on the march to an annual outpouring that could conceivably reach 20,000,000 tons, Canadians can see the basis for tremendous industrial expansion for the nation. This is a mighty giant that has been unleashed by the proving up of hundreds of millions of tons of reserves.
>
> It is not likely to stop with the mere digging up of the ore and loading it on a train or boat. The resulting annual influx of United States dollars from these simple operations—$100 million or more is quite possible—is nothing to be sneezed at but Canadians with courage and imagination will expect the iron ore revelations to mean much more than that.
>
> They can see huge growth for the Canadian steel industry, not ignoring the sixty per cent expansion that has taken place in the last half dozen years and the works currently in progress. Their ideas go far beyond. They see present steel plants much, much bigger and new steel centres established—at the head of the lakes, for instance.

Every mention made of manufacturing Labrador ore contains reference to the head of the lakes. I have yet to hear or read anything from Ontario or Quebec which would suggest that this ore should be manufactured in the maritime provinces. Perhaps I am repeating myself, but before leaving this subject let me say that we feel we have in our argument a logical approach; we feel we have coal for which markets cannot be found. We feel we have the personnel, some of whom are unemployed. We feel that from an economic standpoint there can be no argument in favour of any other part of Canada. I do hope that when any mention is made of the deepening of the St. Lawrence waterways so as to take this iron ore to central Canada, each and every one of the members in the House of Commons from the maritime provinces will stand on his feet and fight against it.

Mr. Brooks: I would sooner see it come to upper Canada than go to the United States, as the hon. member mentioned a moment ago.

Mr. Stuart (Charlotte): I referred to the surplus. I repeat, in answer to the hon. member for Royal, that I think perhaps I have a warmer place in my heart for those people to the south than he has.

Mr. Brooks: I do not doubt it.

Mr. Stuart (Charlotte): International good will has prevailed in the particular section in which I live, since confederation. Any favour that will be helpful to our southern neighbours will receive my support in every way.

There is another argument in favour of manufacturing in the maritime provinces. We have always been given to understand that it was cheaper to transport a finished article or a manufactured article than to transport raw materials. If this steel is needed in central Canada after it is manufactured, there is no question that it can be brought here. It can be delivered in central Canada much cheaper than the raw materials could be delivered.

For many years we have subsidized the manufacturers of Ontario and Quebec. It may become camouflaged by some other name, such as tariff protection. Nevertheless it is definitely a direct subsidy when it is imposed upon the people in that section of Canada. If it were a two-way arrangement I am sure there would be little difficulty in dealing with the people in the maritimes; but from the time of confederation there has been a most unsatisfactory balance favouring only one section of the country.

Speaking in this chamber a few days ago the hon. member for Dufferin-Simcoe (Mr. Rowe) had this to say about cabinet ministers, as it is reported at page 264 of *Hansard*:

> They are nice fellows, grand fellows. Whatever the United States says, they do.

I think perhaps the hon. member who made that statement had in mind the thought that the province in which he resides has not been accorded the generosity of the people to the south which has been accorded us in the maritime provinces. I doubt whether the hon. member would have spoken that way, had he enjoyed that generosity.

In connection with being told by the United States what we should do, may I quote briefly from a British publication dated at London, January 8. It states:

> The *Financial Times* says today that Canada would "do well to give the matter much thought" before relaxing restrictions on imports from the United States on consumer goods.

These are instructions from the other side of the ocean.

> In a review of a statement Thursday by Hon. D. C. Abbott, Finance Minister, on Canadian currency reserves, the paper says that marked deterioration in the dominion's internal economic situation during the past years makes Ottawa naturally anxious to find ways of stepping up supply of goods for consumption and capital development in Canada.

It would appear at the present time that there are people in other countries who are endeavouring to instruct us in Canada as to how we should carry on the business of our own country. Might I add that in our dealings in New Brunswick with the United States—and I can speak for that province at least—I am convinced the balance has always been in our favour. We have always been able to sell more to the United States than we have been allowed to buy from them. We would have purchased much more, but tariff protection in this country prohibits us from doing so. Rigid and stringent regulations compel us to make those purchases from subsidized monopolies in other parts of Canada.

The term "subsidized monopolies" may seem to some hon. members rather severe. I believe it was the Minister of Finance (Mr. Abbott) however who, in describing refrigerator manufacturers in this country recently, used that very expression. He said it was a monopoly. That is the thing we have been dealing with for many years.

On Tuesday last the hon. member for Dufferin-Simcoe made another statement I was sorry to hear him make. At that time he was discussing the serious difficulty we were encountering in Canada in connection with the disposition of surplus farm products. Dealing with the question of surplus potatoes he said this, as reported at page 317 of *Hansard*:

> I am not going to be disturbed about whether we sell potatoes or not.

That, to my mind, is a typical Ontario statement. Potatoes were of no concern to the hon. member for Dufferin-Simcoe. This matter had reference particularly to the maritime provinces so it caused the hon. member very little concern. But statements such as this and statements such as we read in the press of the central provinces have pretty well convinced us down there that about all we are required to do is to support additional canal systems for the central provinces, and pay our proportional share, even though it may take something from us which we feel is properly ours. We must pay those two central provinces our proportional part for everything they would like to have, and yet at the same time we are denied the privilege of selling a single thing in return. It is the most unfavourable trade balance you could find anywhere in the world, nationally or internationally.

This has been going on for many years. We have heard much discussion of maritime rights. I do not believe in preaching maritime rights; I believe this is a national right. It is my belief that in order for one part of this country to be prosperous, it must all be prosperous. We have to live and let live. We must try to work together. Where there are indications of discrimination, some way must be found to rectify that condition. This same story has been placed before the house for years and years, but apparently, to date, very little has been done to rectify it.

As I stated a few moments ago, I shall await anxiously the arguments that will be used in this house before it closes with regard to the deepening of the St. Lawrence and with regard to the Labrador ore development. I have no idea what arguments will be advanced, but I can assure hon. members that they will have to come up with something good before the maritimes will take the bait.

During the short time we have been here many suggestions have been put forth by hon. members of the opposition with regard to trade relations between Canada and Great Britain and between Canada and other countries. As I sat here and listened to those arguments I wondered why one thing was said one day and something else the next. During the past two weeks I have heard members of the opposition say that everything should be done to increase trade with Britain, and then I have heard an hon. member from the same group get up and complain that an industry in his constituency is in jeopardy because of British goods coming into the country. Just a few days ago I noticed an editorial in the *Christian Science Monitor* which would indicate that these stories have crossed the border to the United States. I should like to quote a short passage from this, as follows:

> The facts of this incident can be explained, but they show instantly the pressure which Canadian manufacturers can be expected to throw against imports which disturb their present position.
>
> This government may expect larger pressure than any predecessor, for the obvious reason that in the last ten years Canada has emerged from the status of a raw-material producer into the status of a great industrial nation, with an inevitable shift in political gravity.

And again:

> There has been skirmishing only on the side lines—strong protests from a few Conservative members against new British competition.

My idea of trade with Great Britain or any other peace-loving country is that it should be on the basis of their trading with us as well. I am bitterly opposed to the way trade has been carried on with Great Britain during the last four or five years. It has been trading on a one-way street. I realize that there has been great privation and suffering in Great Britain but I am convinced also that people in this country have not been given the fair deal they justly deserve.

Many questions have been asked in this house with regard to the pit prop business in the maritime provinces. At the start of the war delegations came from Great Britain to our province and asked pulpwood producers to discontinue their contracts, contracts which would have continued until the present time, in order to produce pit props for Great Britain. They agreed to do that, but when Great Britain found that they could buy pit props for a few cents less in other countries, their purchases here were discontinued immediately. This meant considerable hardship to people in New Brunswick and Nova Scotia.

I contend that those people were not treated fairly. They did not receive the consideration they deserved. They were unable to renew their contracts with the pulp and paper people and were left with nothing. Pit props piled up on the breakwaters because markets could not be found. I am opposed to that sort of dealing. I believe some other way could have been found and the break might have been a little less sudden in order to give these people some warning and permit them to find other markets for their wood products.

In closing I want to say that the remarks I have made in connection with the St. Lawrence waterway and the development of Labrador ore represent my own personal opinions, but I want to repeat that if hon. members of this house feel that we in the maritimes are not as fortunate as the people in other parts of the country, if they are really serious in their desire to help out the situation down there, we shall anxiously await their approval or disapproval of the policy of steel manufacturing in the maritimes.

Mr. William Bryce (Selkirk): Mr. Speaker, in rising to take part in this debate after fifty hon. members have spoken, it is rather hard to say something that has not been said already. You can start off by saying that you have the best constituency in the world, which would be quite easy for me to do, and then you can attempt to cover some other topic that has been touched upon already.

I might say that Selkirk constituency was remodelled last year and now contains both urban and rural dwellers. But it still contains the descendants of the Selkirk settlers who came out at the beginning of the last century to blast a trail and build a gateway to the golden west. We are now coming to the end of the first half of the twentieth century, and as we look back over the last five decades and remember the calamity of two world wars and the greatest depression in history, we register in our minds the hope that the second half of the century will be free from such disasters.

It is true, and I think most hon. members will admit, that during the last few years our people have been better fed than ever before. It is true also that our farms and our factories have produced more goods and produce than ever before. Yet, with all that, we know that many Canadian people are not well fed today and that a great many Canadian workers are not receiving good wages. Many of our aged citizens still receive small pensions on which to live. Sometimes the means test prevents them from getting very much.

May I say in passing that I have had more requests about this means test than I have ever had about anything else. As things are today, the man who has been thrifty and has attempted to provide for a rainy day is penalized. The man who has never saved anything, the man who perhaps in many cases has never even paid taxes, can draw a full pension. As I say, the man who has scraped to save and provide for a rainy day is penalized for his thrift. No law should be allowed to exist that penalizes a man or woman for thrift, long considered one of the great characteristics of the Scottish race. We all hope that the second half of the century will prove to be happier and more prosperous for the human race than the first half.

Another problem I should like to draw to the attention of the government is the great need of financial aid for education on a federal basis. In the last few years the effort has been to move people from crowded city areas into the adjoining municipalities. This relieves the city or town of the responsibility but creates a new problem for the municipalities which have to provide education for these boys and girls. The law of the land is that every boy and girl must go to school, and one must also remember that people are demanding better educational facilities for their families than they themselves had thirty or forty years ago. It has been said repeatedly that education is a provincial responsibility but the situation is now getting beyond provincial governments. If our school districts are to have the proper people to teach the pupils and be able to pay fair wages for their

services—wages comparable with other professions—build new schools, and enlarge old ones to accommodate the pupils coming in from other areas, then the federal government must come to the assistance of the provinces.

In the speech from the throne mention is made that a bill for the revision of the Indian Act is to be introduced at this session. I am sure this will be welcomed by everyone interested in the welfare of the Indians. To the members of the committee which sat for three years considering recommendations that could be incorporated in the present Indian Act, this will be most gratifying. As a member of that committee I know the tremendous job they did in the three years the committee worked, and to see the fruits of their labours in amendments to the present Indian Act brought before the house will be encouraging not only to the Indians but also to the people who worked so hard to do a satisfactory job on the Indian Act.

I have already congratulated the minister who heads the department which will now have charge of Indian affairs, the hon. member for Grey-Bruce (Mr. Harris). It is to be hoped that the revised Indian Act will be a new Magna Carta for the 135,000 Indians in Canada. I hope that the new minister will hold his position long enough to be able to do some constructive work in the Indian department. I have only been in parliament seven years but during that time the new minister is the fifth to have charge of Indian affairs, and I hope that he will have charge of the department long enough to do the best job that has yet been done.

We have heard a great deal about lost markets in the last few days, and different reasons have been advanced for the troubles now confronting us. I know there is no simple direct answer to the question. For instance, one of the reasons we hear is the one popularly known as the dollar shortage. Another reason is that improved methods of production have produced surpluses of various commodities. Another reason is that the marketing system which we have been using for the last fifty years is now out of date. Finally, only recently we have been faced with the factor of mass unemployment. There may be other causes, but let us look at those I have mentioned. So far as the dollar shortage is concerned there is actually no shortage of dollars at all. What there is a shortage of is goods that can be produced in Europe and sold to Canada and the United States in exchange for the iron ore, oil, cotton and wheat which those countries are forced to purchase from this continent because they cannot obtain them anywhere else at the present time.

[Mr. Bryce.]

The United States and Canada insist upon payment in dollars but they maintain high tariffs which prevent the sale of the goods of other countries in Canada and the United States. In an attempt to overcome this obstacle the British pound was devalued. That made British goods cheaper here and it made our goods dearer over there. In spite of this action, however, the unbalance between the two areas still exists, although possibly to a lesser degree. I do not know very much about finance, as I have said before in the house, but I do not think pressure should have been brought upon Great Britain to make her devalue her pound, or that we should have had to devalue our dollar. When Great Britain was having her good days we set up tariffs because she could produce goods so much cheaper than we could. Now we are told that the pound was devalued because it was costing her so much to produce the goods, and that such action would enable her to get into the Canadian and United States markets. I think a more simple solution would have been to wipe out the tariffs. Tariffs were instituted because Great Britain could produce cheaply, and now her problem is that it costs her so much to produce. Therefore actually the solution would be to wipe out the tariffs.

The net result is that Great Britain, and all other countries that are in the same position, are trying to get the things they need from other sources. Wheat is one of the crops they can get elsewhere. They can get eggs, cheese, bacon and butter from other countries, and naturally that is what they are doing. As a matter of fact, in order to maintain good relations with Canada and to help Canada with her problem, Great Britain is paying 5 cents a pound more for our cheese than she is paying to New Zealand.

To my mind, however, it is largely because of tariff restrictions that the countries in the sterling area are obliged to go elsewhere for the goods they need, and consequently Canada is losing a portion of that market. These things have happened just recently and they must be quite fresh in every hon. member's mind. Of course improvements in methods of production over here make it possible to turn out still more goods in a shorter time, and that aggravates the problem still further.

The old system of marketing always gave the farmer a good price when he had a poor crop and practically nothing to sell, and when he had a good crop he got nothing for it because there was a surplus. It was a case of too much crop, too low a price; high price and no crop. These great fluctuations in prices have ruined thousands of farmers. One has only to go back and review the fluctuations in the price of rye not very long ago

on the open market. When the farmer was buying seed the price of rye was around $4. When he was selling rye it was around $1.50. Such fluctuations are no good to anyone, unless it is the speculator.

If we had a more rational system of marketing, in years of good crops our surpluses would be stored to make up for the times when crops are light instead of throwing the whole lot on the market at one time and bringing prices down to ridiculously low levels. With import and export boards in existence, world needs could be estimated and surpluses could be stored to take care of those years of drought, disease and insect pests when crops would be very light. At the present time, however, there is no need to talk of food surpluses because there are large areas of the world where food is still scarce. Unfortunately those areas are backward in development and are unable to give either goods or money in return for our exports. In the long run it would be the part of wisdom for us to give away our surpluses for a time rather than see them rot or spoil or be destroyed. It seems to me an international commodity clearing house, such as was discussed by the hon. member for Acadia (Mr. Quelch), would be a step in the right direction. The hon. member went into the question in some detail, and I need not go over it again; but I was sorry to see it reported that Great Britain, the United States and Canada did not approve. However, they may change their minds yet, and I hope they do.

Another result of the difficulty of trading with Canada and the United States is that the countries of Europe which formerly were glad to trade their manufactured goods for our foodstuffs are increasing their own food production. Modern methods are helping them put more land under cultivation and grow an even greater proportion of their own requirements. Formerly Great Britain produced only about one-third of her needs, but I believe that in about two years she will be producing two-thirds. I was back in Scotland not long ago; and the heather moors on which I ran about as a boy have been bulldozed until they are as level as the prairies, and they are producing crops. They have done a wonderful job in increasing production; and believe me, that is going to harm our market as much as anything else.

A typical example of what they are doing in the way of increased production can be seen in regard to milk, under the milk marketing board, which is doing a first-class job. I might mention to hon. members that this board was not set up by the Labour government but by a Conservative government. They found that it just did not work, because it was not a compulsory board, but I do give them credit for this: when they found what was wrong, they made it a compulsory board, and it has worked very well since. I wish I had time to go into it more fully, but I must hurry on. As I say, that board is now compulsory; and you will notice that in the areas in which it is operating no one voted Conservative, in case they might change it.

Milk production is increasing, and they are now producing cheese in Scotland, something they have not done within my memory, and I can go back fifty years. This shows what can be done by way of increased production.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Bryce: To start from where I left off, Mr. Speaker, there is in the marketing situation another important factor that has developed only recently, namely mass unemployment. Dairy farmers, poultry keepers and livestock farmers in general should be particularly concerned about unemployment. Just as soon as a man loses his job and in fact as soon as he sees that unemployment is increasing, he begins to cut down on his expenses. He buys margarine instead of butter. At the present time in Canada there is more butter in stock than there ever was before, 46 million pounds of it. This is about 20 million pounds more than there was last year at this time. The more unemployment there is, the more margarine will be consumed, and the less butter. The unemployed man cuts down on his milk. Milk consumption per capita has decreased steadily since the end of the war, and it will go down still further. Not only will this lessen the market for milk, but it will increase the possibility of sickness. All hon. members know that milk is one of the finest all-round foods we have, particularly for children. But just as surely as unemployment increases, so will milk sales go down and so will sickness increase.

The unemployed man will cut his purchase of eggs. While he was working he could have bacon and eggs or ham and eggs for breakfast. But once he loses his job, it becomes a case of "bread and jam", or even bread without either jam or margarine, both for himself and his family. The same thing applies to meat; such as beef, pork and chicken. His meat will be confined to hamburger, bacon ends or something of that kind. When the worker becomes unemployed, he does not fill a lunch box every day, or a lunch pail as

some people call it. He does not use bread or meat or fruit. This situation in turn destroys the market for the farmer and the fruit grower.

Unemployment in the cities is the worst thing that can happen to the farmers, particularly at a time when overseas markets are in danger. I am sure that every thinking man must be greatly concerned about this marketing situation. I know that the farmers who are looking ahead are greatly worried. The folk who live in the cities should be worried too; for if the farmer cannot sell his crops, his livestock and his milk, he certainly cannot buy the machinery, the equipment, clothing and house furnishings that the city folk have to sell.

Farmers and city workers are interdependent. If one is prosperous the other is prosperous too. If one is in distress, it is not long before the other is in distress also. The sooner this hard fact is recognized, the better it will be for everyone concerned. There is a definite relationship between the income of those engaged in agriculture and those engaged in industry. When the income of the one group is depressed, the other group is directly affected. Canada's net national income is about $8 billion more than it was before the war. Wages, taxes, rent, lumber, steel and farm products have all gone up in price. In my travels up and down the country and elsewhere I meet people who claim that farm prices are far too high, and that cheaper food is the answer to the problem. But if anyone cares to check with the dominion bureau of statistics he will find that in these post-war years, and years of high prices, the per capita consumption of eggs, bacon, beef and pork and dairy products was much higher than it was in the pre-war years when we were in an era of low prices. For instance, the per capita consumption figures are as follows:

	1939	1947
Eggs	20·1 doz.	24·0 doz.
Poultry	19·5 lbs.	24·8 lbs.
Pork	43·6 lbs.	52·7 lbs.
Beef	56·0 lbs.	67·7 lbs.

In every case the wholesale prices of these items was at least 100 per cent or more higher than it was in 1939. Consequently, cheap bacon and eggs is not the solution. Unless food is purchased and consumed, low prices do not work. The real answer is to have enough purchasing power in the hands of the people to consume all that is produced.

I am also told that the farmer is making unreasonable profits at the expense of the consumer, and that farm prices are away out of line. Perhaps the individuals who make such claims might be able to tell us how it is that the production of eggs has dropped in 1949 by 50 million dozen, and hog production has dropped by 338,000 hogs. The reason egg production dropped is that the cost of production is too high. A farmer can buy eggs at the store cheaper than he can produce them by keeping chickens. And so I say—and I think every reasonable man will agree with me—that our farmers are facing a serious marketing crisis. They are facing not only the loss of overseas markets but the loss of the domestic market too. We are losing out because the powers that be on this North American continent, which prospered during the war while the rest of the world suffered huge losses, have failed to live up to their obligations. They are thinking only in terms of capitalistic profits instead of in terms of production for use. There are in the world millions of people still needing food, capital equipment, houses, clothing, roads, schools and factories. But because of the artificial restrictions imposed by the Canadian and United States governments, these millions of people cannot trade with this continent. They cannot buy our goods unless they have Canadian or United States dollars. For overseas trade, Mr. Speaker, I would suggest that we reduce tariff barriers, accept part payment in sterling, and invest funds in European countries. These are only temporary solutions. The only permanent solution is the adoption of the principles of international co-operation. Produce goods in those parts of the world where they can be most efficiently produced, and use them in any part of the world where they are needed, without any trade restrictions whatever.

For the domestic trade, adopt policies that will provide full employment at the highest possible wage rates and the lowest possible profit rates. It is only by adopting some such policy that the volume of goods which is produced each year can be consumed.

Remember, a high standard of living is measured by the volume of goods produced and consumed. If high rates of profit are made, there is not enough money left in the hands of people to purchase the goods, surpluses pile up, and unemployment begins again.

I would like to ask the government to consider the advisability of having a government inquiry into the price fluctuations of livestock as paid by the packing houses in Canada. Why there are fluctuations from day to day has always puzzled the livestock raisers, as it did the grain farmer before we had a wheat board. Why should steers be worth so much on Monday and so much less on Tuesday, or vice versa? It seems competition has been eliminated from the packing business altogether. Since they all pay

the same price it does seem to the farmer that prices are set and agreed to. The meat is all going to sell at the same price as the consumer's price is steady and does not change from day to day. Take hogs. Last September hogs at Winnipeg were $30 per 100 pounds. The government began negotiations with Britain for a new bacon contract. Articles in the papers suggested the price would be lower. The first thing the farmer knew was that the packer had depressed prices down to $24 per 100 pounds. There was no need for this, as the bacon was going into the domestic market and the consumer was paying the same price for what he had to buy.

Mr. Ferrie: No.

Mr. Bryce: I will debate that with you any time you like.

Mr. Ferrie: You are wrong; I buy every week. I know.

Mr. Bryce: I want to continue, Mr. Speaker. I shall be through in a few moments if I am left alone. I was interrupted when I said the consumer was paying the same price for what we had to buy. I still think I am right, and I am entiled to that view. The new price of 29 cents per pound, f.a.s. has been announced, and the government has promised to pay the packer a subsidy of 3½ cents per pound on export Wiltshire sides; so on these prices the farmer takes $9 less for his hog and the packer is taking $4.20 less. I might say here that a 200-pound pig on the hoof makes 150 pounds of pork, which in turn makes 120 pounds of Wiltshire sides. Hon. members can calculate for themselves that at this time the packer has still made $1.80 more of profit per hog than he made before.

Last year we contracted to supply Britain with 195 million pounds at $36 f.a.s. but only supplied 100 million. This year we have a contract for 60 million pounds but our domestic market will take around 900 million pounds, so we have the spoonful setting the price for the tubful. This 60 million pounds sets the price for the 900 million because the export price is cheaper; and remember it takes more to feed a hog this year than last year.

Mr. Cardiff: That is the government's fault again.

Mr. Bryce: In the past by resolution I have asked the government to consider the setting up of a board of livestock commissioners to license and regulate facilities for the handling, grading, selling and processing of livestock, poultry and their products, but up to the present I have had no success. I know the packer is in business to buy as cheap as he can and sell as dear as he can. He makes no bones about that. He tells you that is what he is in business for. But in the hands of a few firms, it becomes a monopoly which some hon. members call free enterprise, but when it gets to the stage of destroying the prosperity of the farmer it has gone too far.

In closing, Mr. Speaker, may I say I think there should be a government inquiry to look into the methods adopted by the packing houses, with special regard to condemnation insurance, price fluctuations and spreads between producer and consumer prices. Every year we set up new t.b. free areas but our condemnation insurance rates remain the same as they were thirty years ago. Surely the time has come, after all the work that has been done by the Department of Agriculture and supported by livestock organizations and municipalities to clean up t.b., to have this reviewed. The packing industry today is the same powerful monopoly that it was in 1935. Let me quote what they thought about it in 1935. I am quoting from the report of the royal commission on price spreads at page 161:

> In recent years, this situation has completely changed. This change has been brought about, mainly, by two factors. First, the elimination of the small packing company and the wholesale butcher, either by merger and absorption or by cut-throat competition. Today, as we saw in chapter IV, the meat packing industry has been concentrated in very few hands. Canada Packers, Limited, is the dominating unit with a business greater than the next five packing companies combined. This development has reduced competition to the detriment of the producer. Canada Packers' buyers are to be found on the chief stockyards in Canada, and all are instructed as to price, methods and practices from a single office in Toronto. Swift Canadian Company, with plants at six centres in Canada, has its buyers on the same stockyards, directed from head office at Toronto. Burns, Limited, with plants at Calgary, Vancouver and Edmonton, has its buyers on all western yards, all directed from Calgary. Livestock purchasing is thus concentrated, with a result, as our evidence shows, of lack of price competition among packer-buyers.
>
> There was uncontradicted evidence given to us by a former official of Canada Packers, Limited, that in Toronto it was the usual practice for this firm to arrange with Swifts, before the market opened, as to the prices to be paid for purchases of livestock. Also, the manager of the western stock growers' association, one of the largest ranchers in Alberta, gave evidence that if a packers' buyer gave an offer for cattle on the ranch, it would not be raised by any other packer-buyer either on the ranch or in the stockyards.
>
> Another method adopted by the packers, which has reduced competition on the open market, is the practice of selling to the wholesale butcher carcasses on the rail, at cost price plus killing charges, and thus removing the wholesale butcher from competition on the public stockyards.

I shall not read further from this report, because my time is drawing to a close. May I say however that they are not improving any.

Then, only last year, we received the report of the royal commission on prices, from which I shall quote briefly at page 31:

The primary livestock industry and the retail meat trade are very competitive, but the processing industry shows a high degree of concentration. The three largest packing firms account for about 60 per cent of the total inspected slaughterings in Canada, which would indicate that competition operates within a fairly restricted framework, though there may be considerable rivalry among these firms. These large firms are efficient in their operations and, though realizing small profits per unit of output, earn substantial returns on their investment. The very heavy capital investment required, together with decreasing cost ratio as the scale of the business expands, tends to keep additional competitors from entering the field.

The three largest packing firms indicated that they made a net profit of $4·3 million in the four months following the simultaneous removal of price controls and settlement of the packing-house workers' strike in October, 1947, compared to less than $1 million in the corresponding period the previous year. Firms holding beef and pork in cold storage at the end of 1947, made substantial fortuitous gains as a result of inventory appreciation as market prices advanced with United Kingdom contract prices. Four firms held over two-thirds of total cold storage stocks and it would appear that they made substantial profits on these holdings.

The profits made by these powerful companies who agree to agree among themselves are built up by a continuous squeeze on the producer and consumer.

I shall conclude with one more quotation. This goes to substantiate the argument I used before, and is taken from the *Globe and Mail* for March 2, 1950. The heading states "Packer Pays One Cent More; Butcher Eight Cents; Eater, Three to Ten Cents"; and the article goes on to say:

Beef prices, which have mounted about one cent per pound during the past two weeks in stockyards, have increased from three to ten cents a pound on the average retail price in the same period. During the same period the wholesale price of beef to the butcher has increased about eight cents a pound.

The rise, reflected to the consumer, ranges from a three-cent raise for short rib roasts to a ten-cent-per-pound raise for porterhouse steaks. These are prices quoted by an independent butcher in an average income and rental district.

More sensational price increases have been marked in the luxury markets but meat affected is not of the type usually purchased by the average consumer.

Meat price increases at an average market during the past two weeks are indicated in the table below.

	Yesterday per pound	Three Weeks ago per pound
	cents	cents
Round steak	75	60
Sirloin steak	79	72
Porterhouse	85	75
Wing roast	83	75
Short rib	58	55
Blade (bone out)	56	52
Rump roast	68	65

On February 15 good grade light steers were quoted at $21.50 to $22.50 per hundred. Yesterday they were quoted at $22.50 to $23.50 per hundred.

According to a retail butcher, his wholesale price per carcass has increased from 34½ cents per pound to 42½ cents per pound, an increase of eight cents.

And the farmer got one cent more!

He said this would entitle him to increase his retail price by thirteen cents a pound to conform with the margin on which he works. However, he said he cannot afford to increase prices by thirteen cents on some grades of beef and has to scale them so buyers of best grade must pay the higher increase.

Price of beef, he said, will vary in the neighbourhood in which the butcher is located. Butchers in high rent areas cannot afford to sell porterhouse at his figure of 85 cents a pound. He estimated in such areas the charge would be between 90 and 95 cents a pound for best grade.

He said there have been no complaints from his customers, but that many began buying cheaper cuts or smaller quantities this past week.

The time has come for producers and consumers to demand an inquiry into the operations of the packing industry, because it affects everyone either directly or indirectly in the Dominion of Canada.

Mr. H. H. W. Beyerstein (Camrose): Mr. Speaker, looking over the speech from the throne and analysing it from the viewpoint of an Albertan it does not take long to conclude that it contains nothing but matters of a routine nature. There is nothing in the speech from the throne to suggest that the government has any solution for our present problems of dwindling markets, the ever-increasing unemployment or the prevention of another depression.

However, when one considers statements made by a couple of cabinet ministers while they were in Alberta a few weeks ago, one can readily understand why there were no sound proposals in the speech from the throne for the solution of the problems I have just mentioned. It is with these statements made by the Minister of Agriculture (Mr. Gardiner) and the Minister of National Defence (Mr. Claxton) that I wish to deal tonight.

When he was in Edmonton a few weeks ago the Minister of Agriculture said that Alberta had failed to develop her natural resources, that she was sitting on a great store of wealth and doing nothing about it. It takes a lot of nerve to make a statement like that in Alberta, and the people of that province were not slow in making a come-back.

In an editorial in the Edmonton *Bulletin* of Saturday, February 11, we find this:

Not even the most bigoted critic could maintain that the Alberta government has been backward or maladroit in developing the oil resources of the province.

In most respects Alberta's oil policy is the best in the world. At the very least, that policy gets the oil out of the ground and puts it to useful work—and at the same time sends a nice flow of profits into the public treasury.

As a result of Alberta's industrial policy oil companies from all over the continent have not hesitated to go to that province. They have come into the province by the dozen with their drilling rigs and exploration crews. Leduc has blossomed out into a major field estimated to contain some 250,000,000 barrels of oil. Then came Redwater, larger than Leduc, with reserves estimated at 500,000,000 barrels. Success continued with Golden Spike, Joseph Lake, Bon Accord, Stettler, Excelsior and Normandville. To answer the minister's statement I do not think I could use any better words than those of John R. White, vice-president of Imperial Oil Limited, who had this to say about the development of Alberta's resources:

> What is there that cannot be done with 50,000,000,000 tons of coal, 1,000,000,000 or so barrels of oil, 3,000,000,000 cubic feet of natural gas and $250 million worth of farm produce every year.
>
> Add in salt beds that underlie most of Saskatchewan, through Alberta to Athabaska. Include the 15,000 square miles of tar sands, 150,000 square miles of timber and 106,000 horsepower in Alberta's waterfalls alone.
>
> With basic resources of this sort, it is hardly necessary to count the rarer materials such as potash, bromine and iodine that have been indicated in some of the oil seekers' drill holes. Unnecessary, because what few materials Alberta lacks can be brought from outside, for example, from the metal mines that surround her on all sides.
>
> Visible in the west are the materials for every type of plastic, for virtually all the major industrial chemicals and electro-chemical products. There is, here, the material for rayon, for nylon, synthetic rubber, phenolic and cellulose plastics, carborundum, graphite, cyanamide, acetylene and its host of relatives.
>
> And it follows that if the materials for these basic products are present, there is the possibility of erecting over them all the secondary and tertiary industries that have been based upon them in other parts of the world.
>
> Such are the potentialities of Alberta, the province that 15 years ago could not even pay the interest on its bonds. Such is the picture of the chain of events that well may have been set in motion by the discovery of that Leduc well.

As far as industries are concerned, Alberta has not been lagging behind in that respect either. We have in Alberta approximately 1,400 manufacturing establishments with an estimated production of $300 million yearly. During 1948, thirty-two new industrial enterprises with a capitalization of $31 million located in the province. During 1949, forty-three new industries were founded in Alberta. That indicates splendid progress considering the obstacles that Alberta has had to overcome.

When the present government of Alberta took over, it found the provincial treasury empty and the province with a huge, staggering debt. In addition to that, during the early days of that government there was wholesale discrimination by the lending institutions against those who had to borrow for production. The freight rate structure has been of no help to our province and still is of no help. I submit that we have been making splendid progress considering the handicaps we have had to overcome during the past fifteen years.

The Alberta Industrial Corporation was set up by the provincial government and has granted loans amounting to $2,700,000 to new industries starting in the province. In addition, the treasury branch serves a wide clientele of farmers, businessmen and plain citizens. This organization has made loans from time to time totalling over $10 million. I would point out also that the interest rates in Alberta are the lowest in Canada. In order to illustrate how Alberta helps to promote industry I should like to read from an article which appeared in *Saturday Night* of February 14, 1950, entitled, "Alberta Oil Sparks Growth of Industrial Economy." This article indicates how the Alberta government is ready to help even small manufacturers. It reads:

> A middle-aged farmer at Radway, in northern Alberta, noticed that farmers often had to make a long trip into town, for the sole purpose of getting the blacksmith to sharpen the blades of their disc ploughs—a job which took only a few minutes, but one which most farmers lacked the equipment and skill to do themselves. So he designed a simple device operated from the power take-off on a farm tractor, by which discs could be sharpened on built-in emery wheels without any danger of doing the job wrong. The sharpener was small in size, and could be made to sell profitably at $15.
>
> On a trial order from the provincial marketing board, a young blacksmith's helper at High River, Alberta, built 100 of the sharpeners. The board had the experts from the research council look them over, and when they gave the machine a technical O.K., passed it on to the department of agriculture to adjudge its usefulness to the farmer.
>
> As a final aid, the board helped to arrange for the demonstration of the new device at rural fairs and other places where large farm groups could be reached. In the words of Oberholtzer, "Sales after that were remarkable."
>
> This sort of assistance, of course, takes money—and lots of it. Fortunately for its program, money is one thing the Alberta government has lots of these days. Certainly, on a per capita basis, it is the richest provincial government in Canada.

I quote that to indicate that Alberta is not only interested in the larger industries; they will do everything possible to assist smaller industries. They will do anything to get them going. When the Minister of Agriculture (Mr. Gardiner) comes to Alberta and says that we are not doing anything to develop our resources, we in turn would like to ask him what is being done to develop Alberta's water powers. The Minister of Agriculture has said that that province has the highest hydro potential of any province in Canada. We would also like to ask him what is being done to get the most from our

coal which the minister has indicated constitutes fifteen per cent of the world's total supply. We would like to ask him: Where is our national coal policy?

Another statement attributed to the Minister of Agriculture as having been made in Calgary appeared in the Calgary *Herald* of February 1. It is interesting to note from that statement that apparently he has lost some of the pep he usually demonstrates. Speaking of agriculture the article refers to what the minister had to say, as follows:

He predicted that 1950 would be a satisfactory year for Canadian farmers, "although we cannot bank on its being as good as last year, which was a peak year." He said some levelling off was to be expected. The minister felt that markets would be available for Canadian wheat produced in 1950, although he commented that no definite picture could be obtained until the crop was in. However, the expected "plenty" of markets would be open at at least the floor price of $1.40 a bushel.

If you will notice the wording of this statement you will see it is quite different from the statements made prior to the last federal election. There are such words in it as "satisfactory", "cannot bank on its being as good as last year", "some levelling off was to be expected". The minister felt that markets "would be available". He also used the words "no definite picture", although he expected "plenty of markets". These statements show that the minister is not as sure of himself as he was about a year ago.

Mr. Wylie: They were made after the election.

Mr. Beyerstein: So much for the statements of the Minister of Agriculture. I should like to pass on now for a few moments to a statement which was made by the Minister of National Defence (Mr. Claxton), and quote from the Edmonton *Bulletin*. The heading of the article is:

Claxton Asks Harper Help

It reads as follows:

"Get behind Harper and help him when the time comes and then we'll have a new provincial government", Hon. Brooke Claxton, Minister of National Defence, told Edmonton and district Liberals at a Liberal luncheon in Corona hotel yesterday. Support of provincial Liberal leader J. Harper Prowse, M.L.A., as strong as that given Alberta Liberals in the federal election would result in a return of the Liberal party to the "sphere of influence" in Alberta politics, the minister said.

Mr. Blackmore: And complete disaster for Alberta.

Mr. Beyerstein: Evidently before the minister made that statement he did not take time to look up the platform on which the Liberals campaigned in the last provincial election. I have here a copy of the Liberal statement which appeared in the Edmonton *Bulletin* of August 13, 1948, just prior to the last provincial election. The heading is:

Liberals—$100 million on Roads

The article reads:

We propose to spend $100 million in the next five years for roads. Twenty-five million dollars is to be used for the construction of "market" roads to serve your rural communities. The remainder or $75 million is to be spent to provide permanent all-weather main highways which will stand up under all kinds of weather and traffic conditions.

Mr. Low: Even the pork barrel.

Mr. Beyerstein: The article continues:

We will spend $5 million each year out of current revenue on rural roads. This is more than twice as much as the present government is spending. And we will keep on spending at least this amount each year until our rural areas are adequately served by decent roads. The kind of road we expect to build on the main highways will be permanent highways —roads which will last for at least thirty years.

Then follows the statement which interests us most. It reads:

We will borrow the money to build them and we will pay for them as we use them over a period of twenty years.

Mr. Blackmore: Mortgage the oil industry.

Mr. Beyerstein: The article continues:

The cost per year for interest charges will be $1,500,000. The cost per year to retire principal will be $3,750,000, making a total annual payment of $5,250,000. Out of current revenue we propose to add $500,000 to ensure adequate maintenance, making a total annual cost of $5,750,000, which is $3,250,000 less than the Social Credit is spending without getting us permanent highways.

It is sound business to borrow for capital improvements, such as these highways will be, provided you know how you are going to pay off your debt. We know how we can do that.

With Alberta's rich oil reserves no doubt they could pay off the debt, but what is the sense of borrowing when we can progress on a pay-as-you-go basis and still have the same thing in the long run. I should like to remind the Liberal leader for the province of Alberta that when the present government took over there was a huge debt. At the present time this debt, even after some whittling down over the period of the last few years, amounts to $128 million.

Mr. Blackmore: Most of it Liberal debt.

Mr. Beyerstein: A large portion of that $128 million was incurred by the Liberal government and the balance by the U.F.A. government. In order to gain power in Alberta the Liberals advocated the borrowing of another $100 million, and we have not been able to pay off the debts they contracted in the earlier years of the province.

Mr. Wylie: They do not need to worry. They will never be in power anyway.

Mr. Beyerstein: At the present time, as I said, the debt of Alberta is $128 million, and the annual carrying charges on it are over $5 million. With oil revenue now running at the rate of about $35 million a year, and the boom barely begun, it is obvious that Alberta could be debt free in a comparatively few years, an unprecedented achievement for a government today. Compared with 1935 the contrast is staggering. In a few years we could be debt free, but our Liberal friends are suggesting that we should borrow another $100 million and go further into debt.

Mr. Blackmore: Let them get their dirty hands on Alberta again!

An hon. Member: What about your $25 a month?

Mr. Beyerstein: There are a number of indications, however, that within the next five or ten years Alberta's oil income may approach $60 million a year which would be enough, if the government chose, to administer the affairs of the province without levying one cent of taxation. We could carry on from current revenue, and yet the Liberals say that we should borrow money in amounts as large as $100 million so that we could pay more interest to the financial institutions.

Mr. Smith (Calgary West): Don't give up the liquor. We get $11 million from that.

Mr. Beyerstein: That is right. This year, without borrowing money, the Alberta government has under way a public works program which will give us approximately $20 million worth of roads, and that is all on a pay-as-you-go basis. In addition to that, they are preparing to build a $1,500,000 300-bed sanatorium in Edmonton. Another new tuberculosis hospital is being built at the provincial mental institution at Oliver. A new occupational therapy building costing $75,000 is being constructed at the mental hospital at Ponoka. More than $1 million, part of it a loan, goes to the university of Alberta building program for a $706,000 library and a students' union. The government itself is building an eight-storey administration building in Edmonton and has also earmarked $250,000 for construction of a provincial laboratory building. New highways, bridges, irrigation projects and $1,205,610 for the conservation of the eastern Rocky mountain forests make up most of the balance of the $75 million budget for this year. So the government of Alberta is doing very nicely without borrowing any such staggering amount as $100 million.

In closing I suggest to the ministers that when they come to Alberta they should guard their statements. I am reminded of a couple of chaps who were having a cup of coffee the morning after the minister made that statement in Alberta. After reading the statement one said to the other, "You don't have to be crazy to understand those fellows, but it certainly would help a lot."

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, I am pleased to have the opportunity of taking part in the debate on the address in reply to the speech from the throne. I know it is customary to congratulate the mover and seconder on the part they took in this debate, and I personally want to compliment them on the grand job they did and the realistic approach that was made in view of the very difficult throne speech they had to work on.

I believe, as the hon. member for Kindersley (Mr. Larson) stated, that the economy of our nation is more affected by the economic position of our farmers than by that of any other class of people. I also wish to state that we have to think of this country as a unified nation. I was very sorry to hear the hon. member for St. John's East (Mr. Higgins) make the statement this afternoon that the government have been dealing with the new province of Newfoundland in such a manner. I am sure we all hope that matters will be remedied very shortly, because I know we do not want to lose the hon. member for St. John's East. This is a unified nation, and we have to think of every province as a part of our great country. We in central and eastern Canada must think of the west and the problems they have to face. They also must recognize our problems. So I think we in parliament have a real responsibility at this time, in what might be called the atomic age, to view these problems and deal with them as best we may.

One of the advantages of this debate is that it gives hon. members an opportunity to branch out and discuss matters they feel to be of paramount importance to Canada. I regret very much that this parliament did not see fit to adopt the motion that was moved by the hon. member for Lake Centre for the calling of a conference of commonwealth nations. I feel that we should take advantage of every opportunity that presents itself to increase trade, either as between the commonwealth countries or world trade itself; so I am sorry our suggestion in that regard was turned down by the government.

I should like to mention another phase of this matter of world trade, which has been mentioned also by the hon. member for Peace River (Mr. Low) and others of our Social Credit friends, as well as by the hon. member for Selkirk (Mr. Bryce) this afternoon. That is the suggestion that we should set up an organization under the food and

agricultural organization of the United Nations. Canada needs an outside market for only a small portion of her farm products; but the small surplus that does exist can cause depressed prices in this great industry. So I believe that with the combined efforts of the agricultural leaders of the nations participating in the FAO it should be possible to reach an agreement which would make this plan acceptable. I feel sure it could be made workable; I believe it is sensible and sound; and through the medium of this world food organization I am confident that we could at least find a partial solution to these great problems of world trade confronting us at the present time. We must find some means of overcoming the difficulties now faced by nations trading in currencies other than our own; and I suggest there is a great opportunity for this government to show leadership in this connection. I had hoped that on his return from the conference held at Washington last October and November, which we all so greatly hoped would be successful, the Minister of Agriculture (Mr. Gardner) would have made a statement to this house outlining the reasons for failure to arrive at the principles advocated there. Regardless of why no headway was made, I am firmly convinced that until such time as this international commodity clearing house is set up there can be no immediate possibility of a solution to a problem that is of such grave concern to all. Canada possesses an immense wealth of natural resources, but at the same time she is extremely vulnerable as far as abnormal trade conditions are concerned. I would urge the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture to give the necessary leadership, so that from the ashes of that Washington conference there may arise a new and stronger organization that will perhaps establish a new world order as far as trading conditions are concerned.

We in Canada and the United States were greatly disturbed at the announcement by a high official of the United States department of agriculture that some 50 million pounds of potatoes were to be destroyed. This is contrary to all accepted laws of civilized countries. Why is it that such measures should be necessary on the part of such enlightened and intelligent people as we in Canada and the United States claim to be? Everyone knows that while we have a surplus of food in Canada and the United States the undeniable fact remains that millions of people, particularly in the Asiatic countries, are pitifully crying for a crust of bread. I attended a theatre here in Ottawa a few weeks ago and saw a news reel which depicted conditions in those Asiatic countries. They were almost impossible to believe. There we saw pictured undernourished and starving children. We also saw the parents of those children subsisting on a bowl of soup and a few spoonfuls of rice per day. It almost made one want to shout from the housetops and ask why conditions like these must prevail.

These remarks may not be closely associated with the business of this parliament, Mr. Speaker, but I do feel that unless we take some responsibility for the alleviation of such conditions where they exist throughout the world the implications may be more far-reaching and disastrous than we can imagine; for I believe there is no more fertile ground for communistic propaganda than in the hearts and minds of hungry people. While the Secretary of State for External Affairs (Mr. Pearson) does not agree with many of the suggestions we make from this side of the house, I believe he will agree when I say that one of the main reasons for this communistic infiltration which is making such tremendous headway in China and Asia generally, as well as in Europe, is the lack of food and consequent undernourishment of these peoples.

It is very heartening to us in this house to see that at least the government have recognized the problem of unemployment, to the extent of introducing the measure to amend the Unemployment Insurance Act, which was put through the house last week. That was not a solution to the problem, however. I attended church service here in Ottawa just a week ago, and during his sermon Reverend Mr. Finlay mentioned this proposed legislation. He said, and I quite agree, that this legislation is not the solution to our unemployment problems, that what the people need is an opportunity to earn their daily bread. That is very true. As with all of us, a workingman likes to feel that he can go out and do a day's work and accomplish something, so that he can make a contribution to society and earn his daily bread.

At the time that legislation was being discussed in this House of Commons some splendid suggestions were offered to the Acting Minister of Labour (Mr. Martin) which I hope will be taken into consideration when the act is revised. I feel sure that the Acting Minister of Labour will implement all these suggestions made from this side of the house, because there were some good ones. I hope he includes all of them in the act.

I should like to make a brief reference to one item that was mentioned by the hon. member for Lake Centre (Mr. Diefenbaker); I refer to those people who are ill, are unable to collect unemployment insurance, and who in many cases have been indisposed for

months. They cannot collect compensation. I hope that the minister, with his humanitarian instincts, will implement in the act that suggestion as well.

Speaking about humanitarian efforts, may I say that I have often thought that there should be some solution to the problem of our people who are stricken with arthritis or poliomyelitis and are crippled from various diseases and have no way of getting an income except through relief which they may receive from the various municipalities. I hope that some provision for them will be included by the Minister of National Health and Welfare (Mr. Martin) in his health proposals to this house.

I am also glad that in the speech from the throne reference was made to price support legislation for our farmers. I know that the press across Canada are not too favourably disposed towards this suggestion; and the press, whether we like it or not, have great influence upon the people of Canada. But I feel that floor prices are necessary at the present time. My business is farming, and I have always been a firm believer in the law of supply and demand. I have felt that it has been the greatest equalizer we have had down through the generations. But I feel that the law of supply and demand has been greatly interfered with in recent years, particularly by governments and their controls, not only in our own country but in other countries as well. They interfered with this law to such an extent that the law of supply and demand is not practical at all any more. Eventually, however, as time goes on, I hope that conditions will again return to normal and that price supports and price regulations will not be necessary. But I insist that for the present we need price support for our farm people, and that it is essential that we have it.

The memories of some people I think are very short, when they fail to recall how the farmers of Canada were asked to accept much below world prices during those war years. As long as we have farmer members in this house I hope they and our urban friends as well will continue to recognize this fact, that we for many years accepted prices much below world prices. I know that one should not mention a personal situation; but in my own case as a farmer I took a considerable loss, having regard to the world price, on one commodity, to the extent of $3,000 over a period of five years; and I am only one farmer out of hundreds of thousands across Canada. When this bill is introduced in the house, I hope it will have the support of all hon. members.

While speaking on the subject of agriculture, I should like to mention one other thing and direct to it the attention of either the Minister of Finance (Mr. Abbott) or the Minister of National Revenue (Mr. McCann). I make the plea that some method be devised to simplify the instructions with regard to filling out our income tax forms. I should like to suggest to the minister that the forms themselves be simplified to the extent that they can be interpreted much more easily than is now possible. I should like to quote from a pamphlet which is sent out to the farmers, instructing them how to fill out their income tax forms. I quote from the Hamilton *Spectator* Ottawa correspondent:

> Where the taxpayer has in a taxation year regularly used a property in part for the purpose of gaining or producing income from farming, and in part for a purpose other than gaining or producing income, the depreciable cost of the property for the purpose of this part, is the proportion of the amount that would otherwise be the depreciable cost, that the use regularly made of the property for the purpose of gaining or producing from farming is of the whole use regularly made of the property.

That is very simple.

Mr. Fraser: As clear as mud.

Mr. Catherwood: I was glad the Department of National Revenue recognized the fact that farmers are clever people. It is true that they can interpret that instruction, but it takes considerable time; and I know that the farmers of Canada would like to spend more of the time on actual farming operations.

Another matter to which I should like to draw your attention, Mr. Speaker, is one that was mentioned by the hon. member for Camrose (Mr. Beyerstein); that is that we should have some type of coal policy for Canada. The hon. member for Vancouver-Quadra (Mr. Green), I think, mentioned the matter. One reason why I suggest that some type of coal policy be inaugurated for the Dominion of Canada is the recent coal strike in the United States, which we are happy to know has been settled. It caused a difficult situation to exist in Canada. The resulting coal shortage caused dealer rationing throughout many sections of Canada. The strike paralysed our rail transportation system. We are glad the Minister of Transport (Mr. Chevrier) announced this afternoon that the services on this transportation system will be resumed. The strike also caused the paralysing of industry throughout Canada to a large degree, all because of dependence on the whims and words of one man, John L. Lewis. I do not think there is any member of this house who is not agreeable to the salary or the wages earned by these men who go down into the bowels of the earth and mine coal. They are subject to great danger; we all recognize that

fact, and we would not for one moment suggest that they are earning too much money. But we do suggest that when one man can paralyse industry in a country outside his own, it is high time that our government gave consideration to some type of national coal policy that would utilize our own coal resources in this country.

I should like to quote some figures which will indicate just how big a business coal is, having regard to importation:

Imports from U.S.	Tons	Value
Briquettes of coal or coke	166,270	$ 1,939,618
Anthracite screenings	8,708	53,143
Anthracite domestic sizes ..	2,704,553	33,312,066
Anthracite smaller sizes ...	562,048	3,954,640
Coal bituminous	16,596,310	86,539,036
Coalex warehoused ships stores	345,408	1,871,312
Total	20,383,297	$127,669,815

It will thus be seen that we in Canada are paying a fairly high price for the coal war in the United States.

I feel that this latest threat to our economy should be the straw that has broken the camel's back. We have great undeveloped hard coal resources in northwestern Canada which can be mined cheaply enough to make it possible to ship by rail to the head of the lakes and thence by boat down to southern and western Ontario.

We also have large coal supplies in the maritimes awaiting orders from central Canada, if we had a policy that would encourage and further the mining of this fuel. Assurance of a market for the product of these mines would not only contribute to the stabilization of industry but would be a powerful factor in bringing about a more equal balance of trade. I therefore urge upon the government that they give serious consideration to implementing a coal policy for Canada.

I wish to say a word about immigration and citizenship. I think that our system of immigration is one that will require a forward, selective policy on the part of the government. I am happy that the Prime Minister (Mr. St. Laurent) has seen fit to appoint a full-time Minister of Citizenship and Immigration in the person of Walter Harris. He is young and aggressive; and we hope he will give strong and vigorous leadership to this new department, something which is urgently needed in our department of immigration.

There are those who feel that our immigration should be cut to the minimum particularly in difficult times. This, to my mind, would not be a sound policy. We in Canada have always prided ourselves upon the fact that our population has been increasing year by year. When we read the statistics that are published and see that our population has increased, we are happy. I think it is very essential for Canada, if such is the case. Where would Canada be today if it did not have a good immigration system? At the turn of the century, back in 1900, we had a population of a little over five million people. In 50 years our population has increased to 13,728,000 people, according to the last figures issued by the bureau of statistics. The other day the hon. member for Lake Centre (Mr. Diefenbaker) told me that the fathers of confederation planned that we should have forty or fifty million people in Canada by 1950. Our progress has been slow, but I do feel it is necessary that we continue a selective policy of immigration in order to promote and develop the industries of Canada. By a process of a selective immigration system for our farms and for our vast new prolific fields of production that are being opened up and will continue to be opened up in an increasingly high degree as a result of the amazing recent discoveries of crude oil, iron ore, titanium, uranium and other valuable natural resources, Canada will go forward by leaps and bounds. If these new sources of production are to be fully developed, and the economic independence of our country maintained in so doing, Canada must increase her manpower to the point that will make this development possible.

It was through a selective system of immigration over many years that our great neighbour to the south, the United States of America, built up her population to the point where without question she is recognized as the strongest nation in the world today.

There is another part of this ministry that is perhaps, while generally not considered as such, just as important as immigration, namely, citizenship. It is in this connection that we as citizens have a responsibility, and in accepting it we can play an integral part in the reception we extend to our new Canadians. The part we play in this regard begins where immigration ends. These people who come to our country have left behind the traditions and associations of the old world in the hope of coming to a land where people are free. The vastness of our land, the difference in language and in culture are so significant that time must elapse before they can accept the Canadian way of life and become good citizens. The town of Thorold, Ontario, takes top honours in this country in its welcome to our new Canadians. I should like to quote from the *Financial Post* of March 12, 1949:

> Thorold has recognized the fact that newcomers to Canada are perhaps more susceptible to red agents and red propaganda, so through the council and the board of trade, they sell themselves to

these new citizens by a heart-warming demonstration of friendliness and good will—the offer of unstinting help, opportunity offered wherever possible and genuine interest shown.

To quote the words of a grateful Hungarian, "You have made us welcome—you have showed your interest in us and that we are wanted—and that we belong—this is more than food and drink to us to know we are one of you."

The board of trade in that town visit the newcomers shortly after they become settled. They are then invited to spend an evening at some of the homes of the members. They offer the services of the board of trade to explain our customs, our monetary system, our educational and recreational facilities, et cetera.

That is but a part of the effort that is put forth to welcome these new Canadians. Let us remember also that we can show Canadianism to these newcomers only by the reception we give them, by not recognizing them as strangers, not recognizing them as foreigners. That is not a very good word. We do not like that. If we go to a strange country we do not like to be classed as foreigners. Let us recognize them as friends. Let us extend to them sympathy and friendliness. Sympathy and kindness shown and extended openly and with sincerity will create a warm feeling among them towards this new country of Canada and will greatly speed their readjustment to their new way of life.

The hon. member for Vancouver-Quadra (Mr. Green) asked the government to inaugurate a social security policy during this session and to abolish the means test and to set up a pension plan on a contributory basis. This was also emphasized this evening by the hon. member for Winnipeg North Centre (Mr. Knowles). I do believe that this is something which is uppermost in the minds of the people of Canada today. I do not think there is any question of more paramount importance that we can deal with. Therefore I urge, as the hon. member for Vancouver-Quadra did the other evening, that we immediately get down to business and indicate to our older citizens of Canada the sincerity of every hon. member and that we put this suggestion into effect as soon as possible.

In conclusion I wish to say one word about the riding which I represent. I shall be brief. We are celebrating our one hundredth anniversary this coming summer in Haldimand county. It will be one of the biggest events that has ever happened in the county during those one hundred years. The Governor General and Lady Alexander have already accepted an invitation to be present. I should like to extend an invitation to every hon. member to come down and visit us during the coming summer, beginning in July and ending in August. I should like to extend an invitation to the Prime Minister (Mr. St. Laurent). The Prime Minister was in our county last year on official business, but I was not privileged to welcome him on that occasion. If he and all the members of his cabinet will come down next July we will give them all a very enjoyable time in Haldimand county. I promise you that all the facilities of the county will be at your disposal. We will give you the key to the county. I know that when you come back to Ottawa you will say: "Well, I have seen everything."

Mr. T. J. Kickham (Kings): Mr. Speaker, in rising to take part in this debate I wish to join with previous speakers in extending congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the motion for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

I should like first to say something concerning our fishing industry, which is an important industry in the maritimes, and particularly in the province of Prince Edward Island. I was greatly pleased with the progressive program, as outlined by the Minister of Fisheries (Mr. Mayhew), with a view to improving quality, extending better inspection services, finding markets, and educating fishermen and potential consumers on how to prepare fish in a palatable and appealing manner for the table, as well as assisting fishermen in submarginal areas in a financial way.

The educational features of how, for example, to defrost fish and the numerous ways that fish can be placed on the table, cannot be over-emphasized. Preparing fish in an attractive manner could easily, I believe, lead to a much greater consumption of fish in Canada. Canadians consume approximately twelve pounds of fish per person per year. In Europe the consumption is approximately thirty-five pounds per person per year, so that in relation to the European consumption there would appear to be a strong potential market to be developed in Canada. I do hope that the program outlined by the minister and his efficient staff may be vigorously pursued to fruition.

I pointed out to this house last year, and which the minister is fully aware of, the need of dredging our shoal harbours and in some harbours extending the protection to deeper water to permit free entry and departure of boats. Until this work is accomplished we will have continued dissatisfaction among our fishermen and packers.

We have come to the time when our fishermen require larger boats of the dragger type. The small-sized boats now being used for trawling hake and cod are practically useless in inshore fishing. With this boat the fishermen are waiting for the fish to come to them.

Now with the larger boats equipped for dragging, the fishermen can go where the fish are to be found. Our fishermen will be gratified to know that this government is assisting in the construction of larger boats, with an outright grant of $165 per ton per boat.

There is some argument pro and con as to whether draggers destroy the feeding grounds of fish. I have talked with experienced fishermen, and they are not decided on whether the draggers injure the food used by the fish, and kill the smaller fish. It would not do any harm in the maritime provinces if our fishermen used draggers for a time at least; and if the time came when the fishermen felt that the numbers of fish were becoming depleted other methods no doubt could be found.

I have had many electors in my county expressing their desire for the abolition of the means test and reducing the age limit to sixty-five years. In this respect, I am pleased to know that this government is naming a committee to make recommendations to the government and, based on their findings, the government will be in a position to adopt appropriate measures. I trust that the committee's deliberations will result in added security for the aged, so that this government may enact concurrent legislation.

Expressing my view on the question of radio, licence fees should be discontinued, thereby eliminating costly administration and collection costs, and substituting therefor an increase in the sales tax commensurate with the need.

Coming to agriculture, I wish to commend the Minister of Agriculture (Mr. Gardiner) and the government on coming to the rescue of producers of eggs, cheese, butter and hogs with support prices and bonuses. In our province in January last, eggs had reached the low level of 19 cents for grade A and 13 cents per dozen for grade C. These were ruinous prices for egg producers. The markets for beef, veal and lamb are very satisfactory.

We are hopeful that the Department of Agriculture will give us a support price on potatoes for this year only, to assist in stabilizing the very depressed market which at present exists.

Many of our potato growers believe, however, that a support price on potatoes induces speculators to grow potatoes, with the result that each year we find we have too great a quantity to market, with accompanying depressed market conditions. I would like very much to see the potato-growing industry left to the genuine and bona fide farmer, thus giving him some cash in the fall season to buy fuel and clothing for his family. These speculators in the potato-growing industry, because they command greater finances than the ordinary farmer, spoil the chance of the bona fide farmer making any profit on his operations, causing much distress and disappointment.

Because of overproduction during the past two years, the federal government is besieged with requests for a support price. The government is reluctant to meet these demands on a perishable product such as potatoes. My opinion is that a support price invites speculators other than the bona fide and stable farmer to grow more potatoes than our present and foreseeable markets can absorb.

There are two means, in my opinion, of curtailing production. One is restricting the acreage that can be grown. The second is the imposition of a levy per acre per grower. I would favour the latter as a more effective measure of controlling production, and I should like to submit tentative suggestions to the members of this house for their consideration, realizing, as I do, that any remedial action must come from the governments of each of the provinces, the federal government having no jurisdiction in this field. Nevertheless, if what I am going to suggest appeals to the members, they could discuss the matter with their provincial departments of agriculture.

I submit the following:

That all provincial governments impose a levy on all potato growers in their respective provinces.

1. In the case of those who plant over one hundred acres, a levy of $25 an acre be imposed.

2. From fifty acres to one hundred acres, a levy of $20 per acre.

3. From thirty-five to fifty acres, a levy of $15 per acre.

4. From twenty to thirty-five acres, a levy of $10 per acre.

5. From twenty acres and under, no levy.

I firmly believe that if the provinces would pass legislation to this effect it would be a practical way of controlling potato surpluses and retaining the potato growing industry for the bona fide growers. The growing of up to twenty acres per farm works nicely in with a crop rotation, having a great effect in cleansing the farm of noxious weeds, because of the intense cultivation which is necessary in the growing crop. Now, if the provinces agreed to some such measures, I think we could expect a healthy market condition each year and possibly the provincial governments might derive some revenue, rather than being subject to demands for support prices each year.

It is my duty to express my views, as I see them now, concerning assistance in our

province, as compared with assistance granted to other provinces of Canada. It would appear to me that our share of federal grants, placing these on a per capita basis, is relatively small in comparison with our sister provinces. For example, there are many grants of which other provinces can avail themselves but which are denied to us because they do not apply to us. Other provinces, as I have said, enjoy money grants, such as grants for slum clearance, assistance under the Emergency Gold Mining Assistance Act, the Prairie Farm Assistance Act, the National Housing Act and encouragement for mining and the development of oil resources. So that to place us as a province on a par with the other provinces, we should receive special consideration in federal grants that do apply to our province.

At this time, I shall confine myself to one, namely, education. As I pointed out to the house last year, our teachers are the lowest paid of any province in Canada. I have here some figures from the bureau of statistics in this connection which might be of interest to hon. members. The table before me gives a comparison of the salaries paid teachers in the different provinces and, for the purpose of demonstrating the point I am making, I should like to place on record the salaries paid for male and female teachers in a one-room school first in Prince Edward Island and then in Ontario. The male teacher in Prince Edward Island receives $950 and the female $925 whereas in Ontario for the same type of work the salary is $1,580 for the male teacher and $1,516 for the female. I have pointed out that this condition exists because in Prince Edward Island we have the lowest per capita earnings in Canada.

We are in need of money to provide for technical and vocational education. Our surplus population moves to central and western Canada. I should like to have the house realize that money provided for education for our boys and girls in Prince Edward Island is not charity at all, but is the soundest investment this government can make. All the provinces would share in such investment in having our boys and girls migrating to other provinces educated as bookkeepers, surveyors, engineers, technicians, doctors, nurses, et cetera. Educated in surroundings and an environment that are ideal, as things are now, the larger number of the boys and girls educated in the province move out to the other provinces, where there is continual expansion and where the opportunities are awaiting them. These young people come from families that have funds to educate them; but for those young people leaving our province with very little education, because their parents are too poor to give them an education, they must take the pick and shovel jobs. Many of the girls find domestic work in Montreal, which I maintain is unfair. Our boys and girls should enjoy equal rights in the field of education, comparable to that which is given to the boys and girls in our sister provinces. I could give hon. members figures on our per capita earnings as compared to the other provinces, but I gave the per capita earnings to the house last session and I will not repeat them today. I believe every hon. member of the house, and the government as well, wish to treat our province fairly. Canada cannot have a healthy body if any member of that body is ailing.

I am sure that there is not a member of this house who would wish to deprive the weaker sister of the ten provinces of equal rights with the other provinces. The hon. member for Kindersley (Mr. Larson) made a significant statement when he said that the maritime provinces were regarded by western Canada as being in practically a different world. I fully agree that there should be a greater knowledge and understanding between the provinces, and the government could then more readily effect an economic levelling off so that all provinces would share equally in Canada's economy as they do in direct and indirect taxation.

Having said that, I should like to submit some figures. The prairie provinces received from the dominion government under the Prairie Farm Assistance Act during the years 1947, 1948 and 1949, the years for which I have figures, $11,156,147, $17,669,568 and $14,382,805 respectively. Under the Prairie Farm Rehabilitation Act during the same years they received $2,354,448, $3,546,627 and $4,857,560 respectively. During the past three years an amount of $4,179,742.35 has been paid out for the development of oil resources, while during the same period $3,332,196.07 has been paid out in grants by the bureau of mines. During the past nineteen months a total of $15,613,051.60 has been paid out under the gold mining assistance act.

I am firmly convinced that the federal government was fully justified in assisting these provinces to the extent they have and I hope they will continue to do so in an effort to promote further development of the natural resources of Canada. I should like to quote from a statement made in 1935 by the former Prime Minister, Right Hon. William Lyon Mackenzie King, as follows:

> The Liberal party recognizes that the problem of distribution has become more important than that of production and believes that personality is more sacred than property. It will devote itself to finding

ways and means of effecting a fair and just distribution of wealth and increasing regard to human need, to the furtherance of social justice and the promotion of the common good.

I should like to add to those words the following words spoken by the present Prime Minister (Mr. St. Laurent) thirteen years later:

We will not be satisfied until, in co-operation with the provincial governments, we have achieved a national standard of social security and human welfare which assures the greatest possible measure of social justice to all Canadians.

I submit that there is a wide difference between the treatment accorded those provinces and the treatment accorded to the maritimes, and I am now speaking of Prince Edward Island particularly. I think our young people are a valuable asset upon which the other provinces have been drawing and we have not received any equitable reimbursement for the cost of their education. It is estimated that from the beginning of a child's school years until graduation into a profession the total cost is approximately $10,000. The grant to returned veterans who wished to take advantage of the government's offer for further education averaged $2,012, making a total of $110,400,139 to October 31. Many of the 54,859 veterans who took advantage of the government's offer stayed only a short time in the training schools and this lowered the average cost. When we realize that in this house of 262 members there are 156 members who come from Quebec and Ontario, called central Canada, with only 106 from the remaining eight provinces, we have an indication of the population of that central area.

I agree with what has been said by the hon. member for Regina City (Mr. McCusker) and the hon. member for Charlotte (Mr. Stuart) with regard to the possibilities of developing a mining industry in Nova Scotia instead of having the ore sent up the St. Lawrence river. There are great possibilities and this development would create a market for our home grown products. In this connection I should like to quote the words of Premier Jones of Prince Edward Island, who on March 2 said:

When I see that 2,000,000 tons of ore are going to be stock-piled in Labrador ready for shipment up the St. Lawrence to western Ohio through the canals, it seems to me the height of foolishness. Leaving Seven Islands a boat could sail down to Baie Verte and into Portland just as quick as she could reach Montreal. It seems ridiculous to think of taking ore there because the Bethlehem Steel Company has established a big plant not far from Philadelphia. Why does not the ore go up the St. Lawrence instead of going down the Atlantic coast?

What right have they to build locks at our expense, when the bridge goes over the strait of Canso. There is no reason why Sydney could not become a great steel empire.

[Mr. Kickham.]

With the opening up of the Chignecto canal Nova Scotia could become the Pittsburgh of the maritimes. Over the years since confederation under all governments the maritimes have proved to be a prolific mine for central Canada, both economically and in the providing of talented human beings. Should the maritimes be suddenly shorn off from central Canada I am sure that the perpetually productive old milch cow would be missed. The permitted increase in freight rates further militates against the maritime provinces in their competition in central Canadian markets.

In conclusion, may I say that the young people from my province go to the other provinces of Canada entertaining no fanatical heresies or economic theories in connection with trade, monetary or social matters, such as we hear in this house from the C.C.F. group. There is no problem of assimilation as islanders have relatives and friends in every province of Canada. The C.C.F. had candidates in our province contesting the election, but they did not get to first base, losing their deposits each time. I can assure the leader of the C.C.F., the hon. member for Rosetown-Biggar (Mr. Coldwell), that we welcome his candidates. The government can use their deposits for social aid purposes which he pretends to champion.

Our people do not lend themselves readily to flighty economic and political theories. They prefer to rely on the two permanent and stable political parties, namely, the Liberal and Conservative parties, who have led Canada through the trying stages of development and while in the embryo period. The fact that we have now reached the status of a full-fledged nation is in no small measure due to those stalwart parties.

(Translation):

Mr. Henri Courtemanche (Labelle): Mr. Speaker, may I begin my remarks on a rather sad note. A parish in my district has been the scene of a tragedy of a rather unusual nature. In the province of Quebec, as elsewhere, during the winter months river roads on the ice are used as short cuts. This practice has caused in the village of Labelle an accident which has been widely reported in the newspapers and to which I feel I should draw the sympathetic attention of the hon. members of this house.

Four people were crossing lake Labelle in a car. The ice broke and the car slid into the icy waters. Only one of the occupants was able to free himself, while the three others perished under conditions of anguish and suffering that can be well imagined. Two of the occupants were imprisoned in the car.

I wish to deplore the trouble we had in finding a properly equipped diver. We telephoned Halifax and were told no equipment was available for a 225-foot dive since the pressure at that depth would be 91 pounds per square inch. We were even informed that only the United States Navy owned equipment that could be used under such a pressure. Would it not be possible to provide the national harbours of Montreal with suitable equipment and save us in future from risking too many lives? The local people had to work in shifts of 25 on the ice surface in sub-zero weather with improvised means.

Public opinion in the province of Quebec has been stirred for some time by the question as to whether Count Jacques de Bernonville will be deported or not. I know that his case is being considered by the department of immigration. I know nothing whatever of his past in France, but recently the hon. member for Bonaventure (Mr. Arsenault) supplied us with a fairly condensed account of it.

That he was condemned to death by an exceptional tribunal, by a political court of justice made up of members of the underground forces and of communists does not make one iota of difference in his favour or against him.

Is it any wonder that he came into Canada without a passport? When leaving their country, opponents of a political system are seldom privileged to have their passport visaed.

During the rebellion of 1837, had the United States required papers in proper form from Louis Joseph Papineau and William Lyon Mackenzie, grandfather of the predecessor of the present Prime Minister (Mr. St. Laurent), both of them would have been returned and hanged with the others. Like every civilized nation, England has been giving refuge to newcomers without asking them whether they had been sentenced to death *in absentia*. Would Canada be more backward in 1950 than was Britain at the end of the eighteenth century?

I find it hard to understand the government's relentless attitude towards Jacques de Bernonville. A principle of justice and fair play is involved. Why this drastic application of a regulation which in all fairness does not hold in his case? A perusal of the files of the immigration branch will show that other foreigners have entered Canada under the same circumstances as Count Jacques de Bernonville, but they have been spared the tribulations imposed upon this man and his family over the past two years. History records numerous precedents.

In March 1939, 500,000 Spanish refugees entered France without valid passports and were granted the right of sanctuary.

In 1936, Manuel Azana, former Spanish minister, fled to France to escape persecution. He died peacefully at Montauban, November 4, 1940.

Francisco Largo Caballero, known as the Spanish Lenin, who became Spain's first socialist prime minister, in 1936, took refuge in France, without first obtaining a legal visa. He was never molested and died at Paris in March 1946.

By the peace treaty signed in the Hall of Mirrors at Versailles on June 28, 1919, 27 countries had agreed to request and demand the extradition of Kaiser William II. Yet he died at Doorn, a small Dutch village, without having been brought to trial.

All these facts add up in favour of Count Jacques de Bernonville.

Though pagans, both the Greeks and the Romans granted legal protection to foreigners and recognized the right of sanctuary. Would Canada refuse to grant asylum to a Frenchman who did us the honour of believing in Canadian freedom? The government of my country must act in such a manner that we will feel proud of being Canadians.

May I now congratulate the new Clerk on having provided the house with a bilingual diagram. This innovation was needed in order that the two official languages might be placed on an equal footing in parliament and in the country. This gesture also testifies, in the most straightforward and commendable manner, to the genuine Canadian patriotism of the man who is responsible for it.

I am sorry, however, that I cannot entertain the same flattering views about the government's present policy. It seems this country is walking into three blind alleys, namely: the loss of our markets, the resulting unemployment and, as a natural consequence, communism.

The taxpayers of my constituency are disappointed. During the last war the Liberal party asked us to make sacrifices to ensure security in the post-war period. This policy proved to be shortsighted. Though we were promised prosperity, we are now faced with a real economic depression. It is all very well for the government to claim that conditions were never better, but our farmers

have had a difficult year and the future is dark, while the number of unemployed keeps growing in our large cities.

Our eyes are being opened. The Quebec voter realizes he has been duped. He was misled when Liberal orators promised prosperity and praised the agreements signed with Great Britain, which were supposed to grant us the enviable privilege of being the British market's only suppliers. While this idea was being spread among the public by Liberal propaganda, the federal cabinet was well aware that Sir Stafford Cripps, on behalf of the United Kingdom, had advised the Canadian government that they would buy nothing, or very little, from this country.

The policy of agricultural security implemented by the Minister of Agriculture (Mr. Gardiner) has collapsed. Actually the results of this lack of foresight have been felt for some time now. This is what Mr. Gérard Filion had to say about it in the January 31, 1948 issue of *Le Devoir*:

> The whole agricultural policy of this country must be completely overhauled. We have systematically refused to sell to those who wanted to buy our products and obstinately sought to sell to those who no longer wish to buy from us. Soon we will be in the rather uncomfortable position of the man who has to sit between two chairs.

Canada could have taken advantage of wartime and post-war conditions to increase the number of its export markets in order to achieve a better balance of trade. It could have found profitable markets in the United States and, through extensive exports of agricultural products, made up for its shortage of American dollars.

In order to fulfil our contracts with Great Britain, the export of bacon, cattle and cheese to the United States was prohibited. The dollar crisis was created artificially. Restrictions on travel and purchases in the United States became necessary. Our economy was upset in the hope of securing remote profits and illusory security.

It is worth-while to recall that during the war, farmers were requested to make all kinds of sacrifices in order first to win the war, then to help to rehabilitate Great Britain. Thus, while Argentina sold her wheat to Great Britain at $3.55 per bushel, we in Canada sold it for only $1.55. And the same thing applied to all our goods, to everything we exported overseas.

The Minister of Agriculture realized his lack of foresight so well that he stated last fall:

> I realize that it is rather hard for Canadian farmers to learn that Great Britain relies on them only in wartime.

[Mr. Courtemanche.]

On another occasion, the same minister, upon being questioned by reporters, probably after uttering bitter words against Great Britain, had this to say:

> On more than one occasion, I have claimed that the British authorities were endeavouring to prevent us from selling our goods on their market and I have nothing to take back.

That is how things stand, Mr. Speaker. We have lost our markets and we have sacrificed them in vain. Our industries are at a standstill and our people are worried, but we lack the markets to help them.

The machine is idle, the plant is about ready to shut down, and our workers are going through a pre-unemployment period, all on account of our lack of markets. And yet our country is rich in land, in raw materials and in manpower. Do we realize that the loss of these markets involves unemployment? We must face it. That evil, worse than one of the plagues of Egypt, the scourge of our time, is the curse visited not upon our workers but upon the responsible ones, our present leaders.

It is alarming and shameful that it should be impossible to enjoy a certain comfort in a country where everything is plentiful. *Vox populi, vox Dei.* The people claim the right to live and to subsist. The unemployed grumble, threaten, cry for vengeance against those who nap, beat about the bush and follow a policy from which one may only conclude that a certain propertied and ruling class is not suffering. We feel that people will not stand for this situation as they did from 1929 to 1939. In those years, there was submission, fear. Today, people realize that the guilty parties who have shirked their responsibilities are napping. Organized unemployment, as is evidenced today, is apt to bring unpleasant surprises. It will breed men difficult to handle.

How can we blame the unemployed? Call them lazy, improvident. They will tell you they were not unemployed yesterday because there was work to be had. They have none now and they are laid off by the thousands. The present rulers are responsible since, in governing, they must have foresight and they have failed to show any.

Many were startled to learn that the Prime Minister (Mr. St. Laurent) had asked municipalities to go further into debt in order to undertake projects to relieve unemployment.

The federal government caused a housing shortage by displacing workers, by sending our building materials overseas and by promoting settlement in urban centres. When the load became too heavy, it passed the buck to the provinces. By rent control, the dominion government is placing too heavy a burden on thousands of tenants, while it is dealing most unfairly with some landlords. When things reach a breaking point and protests surge from everywhere the government throws up its hands and dumps rent control into the lap of the provinces.

Let us not forget that unemployment is the breeding ground of disorder, poverty, unrest and communism. Unemployment leads to communism. It must therefore be averted. We have tried to fight it with words but that was a wasted, futile, useless effort. People do not yet understand why there was so much employment and money in wartime and why there is so little now, in peacetime. If money is found for destructive ends, it should also be available for constructive purposes. Should the fact that consumers are too few in number justify starvation in the homes of the jobless?

We now dread a third world war. It is feared that the Russians have discovered the secret of the atomic and hydrogen bombs.

Have we forgotten that communists are already waging this third war by taking over surrounding countries one at a time? Have we forgotten that, in their fifth column, which is well established in every country including Canada, they have the best weapon in existence?

This fifth column is wide awake at present but will prove even more efficient when the time comes for action.

Communists are now active in Canada in three different main groups: (a) labour organizations; (b) study and cultural organizations; (c) the civil service.

All this has been proved during the Kellock-Taschereau investigation, yet the Ottawa government refuses to take the firm steps required by the situation.

Far be it from me to make excuses for communism, which, in the words of Leo XIII, is a fatal plague that infects the very marrow of society and destroys it. I know too much about its workings not to condemn it. The communists will lose the next war, should they provoke or start it, but unemployment, this breeding ground of discontent, this mixture of confused causes, will make people look upon communism as the solution to the eternal social question.

I therefore request the government to attend to these alarming wounds, to heal them. That is within its powers as well as within its duties. There is no reason why any one of our citizens should not be able to live in a country 3,700,000 square miles in area.

In my own name, in that of my constituency, of my province, of my own race, in the name of the whole country which is threatened with the same crisis, the same miseries, I beseech those in power to put an end to this sad state of affairs.

Let us find jobs for our people. That is the only way to earn a salary. Whatever work is found, let it be, not just any work, but useful work, constructive work which will benefit our country. Let us not fight communism with words, but with action, honestly, by ensuring to the people what is rightfully theirs—order, justice, prosperity and national security in this fine, powerful and great country of ours.

(Text):

Mr. J. S. Sinnott (Springfield): I wish to congratulate you, Mr. Speaker (the Acting Speaker, Mr. Beaudoin), on the position you are now occupying. As you are my former roommate, it gives me great satisfaction to see you there. I also wish to extend congratulations to the mover and the seconder of the address in reply to the speech from the throne. It gives me more satisfaction to extend them to the mover, however, as I have known him for a considerable number of years.

In the great riding of Springfield a few things are happening which I should like the house and the people of Canada, as well as others, to know about. I refer to the $10 million oil refinery which is being built in one part of the constituency. This refinery will employ a number of men for a considerable period of time, and will be of such a size that it will supply all of the oil to Manitoba. I should like to read from a clipping from the Winnipeg *Free Press* of some time ago. It reads as follows:

> Construction on the Imperial Oil Company's $10 million refinery at East St. Paul, Manitoba, will begin about March 15, or as soon as weather permits, J. K. Jamieson of Sarnia, Ontario, manager of the engineering and development division of the company, stated Tuesday.
>
> Mr. Jamieson arrived in Winnipeg Monday with other company officials to complete plans for the construction job.
>
> First work to be undertaken at the 400-acre site, located seven miles north of Winnipeg's city limits, will be building of temporary office quarters, fencing the property and laying a temporary railway siding.

Biggest job now on the books of the company's manufacturing department, construction of the plant, will employ between 500 and 600 men during peak activity. May, 1951, is still the date set for completion of the project, Mr. Jamieson said.

With a capacity of 10,000 barrels a day, and working on a 24-hour, seven-day schedule, the refinery will supply all Imperial Oil's petroleum needs in Manitoba. All crude oil for processing will come from western Canada through the Edmonton-Superior oil pipe line now under construction.

"We are planning to bring tank crude to the Winnipeg plant from the oil line at Gretna," Mr. Jamieson explained. "However, possibility of the use of a pipe line from this point is still being discussed," he added.

The refinery site is adjacent to railway lines of both Canadian National Railways and the Canadian Pacific Railway, and switching facilities are to be installed from both railways.

Refinery plans also include provision for an asphalt plant. Manufacture of this petroleum by-product depends on the type of oil, the type of asphalt the market requires and the sale for it, officials explained.

Mr. Jamieson emphasized that there would be little or no chance of pollution of the Red river by waste products from the plant.

"Pollution should be kept to a minimum," he said. "We will have all the latest type of equipment to purify the 12 million gallons of water per day that will pass through the refinery."

"Actually, the water should be cleaner coming out of the refinery than that going in," he added.

When completed the refinery will have a "tank farm" of 42 storage tanks for both crude oil and finished products, having a total capacity of 35 million gallons.

Products of the plant will be high-grade automobile gasoline, diesel fuel, domestic and industrial fuel oil. No high-octane aviation gasoline will be manufactured, Mr. Jamieson said . . .

The construction company will also let sub-contracts to local firms wherever possible, Mr. Jamieson said.

Used in construction will be, 15,000 feet of fencing, 16 miles of pipe, 8,000 feet of roads, 5,000 yards of concrete, 13,000 tons of steel and 3 miles of railway spur tracks.

Mr. Smith (Calgary West): How much sewer?

Mr. Sinnott: That all depends on you.

Another project which is under way in the riding of Springfield is a $20 million power plant which is now being developed on the Winnipeg river. I take great pride in representing this riding, which is the key to all of Manitoba. In that riding is developed all the power for the whole of Manitoba, and that includes the great city of Winnipeg.

We discussed the unemployment situation here in the house for some considerable time a few days ago; and while some members regard the situation as serious, I myself do not take that attitude. Some members think that governments are a cure-all for this situation. I do not. I think that Canadians as a whole would be doing themselves a great disservice if they had in mind this idea of foisting upon the dominion and provincial governments almost the entire responsibility for handling the unemployment situation.

We must not forget that wholesale spending on giant public works is not a cure-all for unemployment. It merely takes up the slack at times, in most cases causes considerable strain on the purses of both the provincial and dominion governments, and in turn has to be met by the taxpayers themselves. If in the future we should have severe unemployment situations, and I hope we shall not, there should be more intelligent co-operative planning among the businessmen, professional men, labour leaders and other authorities. Planning by industry itself goes a long way to create steady employment. I believe that labour leaders can certainly help to develop and put into effect work-providing plans by giving both industry and the government the benefit of the workingman's ability and ideas. Let us not be panicky and be always looking at the black side of the picture, as this sometimes induces a hasty and unwise course of action.

A few days ago I believe the hon. member for Souris (Mr. Ross) stated that there were not many municipal men on this side of the house.

Mr. Ross (Souris): You have got me wrong.

Mr. Sinnott: I am glad the hon. member is in his seat now.

Mr. Casselman: He is always here.

Mr. Sinnott: Did I hear him say that I was wrong? In the cabinet we have some municipal men. The Minister of Fisheries (Mr. Mayhew) has had considerable experience. The Minister of Agriculture (Mr. Gardiner) has had some experience. I believe the Minister of Labour (Mr. Mitchell) has had considerable experience as well. There are other backbenchers on this side of the house who have had considerable experience. I will refer to the hon. member for The Battlefords (Mr. Bater), who has had about 31 years' experience. We have the hon. member for Mackenzie (Mr. Ferrie), who has had considerable experience. There is the hon. member for Hastings South (Mr. Follwell); the hon. member for Spadina (Mr. Croll); the hon. member for Winnipeg South Centre (Mr. Maybank), who is a parliamentary assistant; the hon. member for Middlesex West (Mr. McCubbin), who is a parliamentary assistant; the hon. member for Nipissing (Mr. Garland); the great hon. member for Fraser Valley (Mr. Cruickshank); the hon. member for New Westminster (Mr. Mott); the hon. member for Lafontaine (Mr. Ratelle); the hon. member for St. Ann (Mr. Healy); the hon. member for Moose Mountain (Mr. Smith); the hon. member for Swift Current (Mr. Whiteside); and then we have the hon. member for Springfield, who served eight years as a municipal reeve, and is reeve

again, in spite of the *Free Press* editorials. You know, I have a new name. Now they call me two-job John. The editor of the *Free Press* went out on a limb so far as to call me two-job John and to point out the reason why two-job John could not handle the municipality as well as being a federal member. Well, I left it to the good taste and democracy of the county. I was asked by so many of the ratepayers of the municipality in which I live to run that I allowed my name to stand, and I came down here. I never held a political meeting of any kind, and I was elected without them. We left it entirely to the people themselves. In spite of the *Free Press* and its editorials we left it, as my friend from Montreal says, to true democracy and to their sound judgment. They would rather listen to someone who had served them for a number of years previously than to a crackpot editor of a newspaper.

Some hon. members on the other side of the house have said that the farmers have lost $2 million; others have said $5 million; and we are at a loss to know which figure is correct. There have been so many estimates that it is difficult to say which is the right figure. We have not yet come to the end of the contract. If there should be any loss, in view of the fact that the government has taken care of the egg producers and other producers, they should make up the loss out of the consolidated revenue fund of Canada.

Mr. Ross (Souris): You are a good finance minister.

Mr. Harkness: What about the "if"?

Mr. Sinnott: Farmers as a whole never look for handouts. As hon. members know, during the war many of them worked sixteen to eighteen hours a day, and some of them twenty hours a day to make the same amount of money that the people in the factories were making by working about eight hours a day. Therefore I ask the government to think twice before the end of the contract, and if there is any loss it should be made up out of the consolidated revenue fund of all Canada.

I wish to thank the government for introducing their health plan.

Some hon. Members: Which one?

Mr. Knowles: Where is it?

Mr. Sinnott: Under this plan a hospital has been built in my riding, costing some $22,000. Another $100,000 hospital is going up at the present time, of which the federal government is paying quite a share. Laugh that one off!

We heard from the hon. member for Winnipeg North Centre (Mr. Knowles) this afternoon with regard to old age pensions. I believe he was giving us all of the cure-alls. What he gave was not cure-alls. He was merely asking the dominion government to remove the means test. I do not think any hon. members in this house are more in favour of removing the means test than those of the Liberal party.

Mr. Knowles: Is that why you voted against it last fall?

Mr. Sinnott: But we must ask ourselves, where is the money to come from? Can we taxpayers afford it?

Mr. Hansell: You should know; you ran as a Social Credit candidate at one time.

Mr. Sinnott: I was like a kitten at that time. It has to be nine days old before its eyes are open. As I said before, there is no one in this house who is more in favour of seeing the means test removed than the Liberal members.

An hon. Member: Why don't they remove it?

Mr. Sinnott: We expect when the two richest provinces of Canada come into the all-nation program this fall we shall be able to remove it.

We have pensions for the blind, but there is one class of citizens for whom there is no pension. I refer to those who are incapacitated and are unable to work. Being the reeve of a municipality I know who pays for these things. The whole burden falls on the municipalities themselves. The provincial governments and the dominion government should come into this field and grant pensions to these people just as they grant pensions to the blind and to the aged. These people who are incapacitated have to sit in a wheel chair day in and day out and read story books to pass away the time. They are unable to help themselves. They should come under a pension plan of the dominion government.

I should like the Crowsnest freight rates to remain as they are. They have been on the statute books for a long time and I think it would be a mistake to have them removed.

I should also like to see the completion of the trans-Canada highway as soon as possible. As we know, that highway goes through the whole of the constituency of Springfield. Not only will it help to bring east and west together, but it will result in a saving of United States dollars. With those remarks, Mr. Speaker, I should like to close.

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, my first remarks this evening will be those of acquiescence in what has been said by other hon. members by way of congratulations to the mover (Mr. Larson) and seconder

(Mr. Dumas) of the address in reply to the speech from the throne. However, I would like to add my special word of appreciation to all who have taken part in this debate. This is the first time I have spoken in the House of Commons, and perhaps it would be well if I were to tell hon. members some of the impressions I have gained as I have observed other hon. members take part in the debates of this and the former session.

I was intrigued to hear the hon. member for Skeena (Mr. Applewhaite) describe the beauties of his constituency. He told of the great trees, the beautiful scenery and everything connected with it. I was reminded, too, of the beauty of other constituencies in Canada; but as I was enraptured by the descriptions offered by hon. members taking part in the debate my mind turned to the beauties of my own riding of Kent.

In this connection let me point out that of the seventeen major crops grown in Canada the county of Kent, which it is my honour to represent, has succeeded in excelling in twelve. Attention of hon. members was directed this afternoon to the sugar beet industry. That, I may add, is one of the main products in Kent. In Kent is situated one of the largest sugar refineries on the North American continent, and practically all the sugar beets processed in the factory are grown in the county and the counties adjoining. For every dollar a sugar company pays for the beets produced, it provides in goods and services an additional $1.25. That in itself is a remarkable fact, and serves to assist in the economy of the country as a whole.

Industry has located in that area because of the excellent public relations existing between labour and management. In 1948 the city of Chatham, the only city in the county, was known across Canada as the industrial city of the year. It had enjoyed greater industrial expansion than any other city because it was served by an alert industrial commission which spent a great deal of time promoting the advantages of the city and succeeded in persuading many industries to locate at that point.

We were told in the house this afternoon why industries are moving to central Canada. I would add that anyone who wishes to attract industry to his constituency must accept as one of the prime requisites in such an endeavour the necessity of having a good public relations officer or trade commissioner. The gentleman who serves us in Chatham in this capacity, Mr. W. M. Gray, has become known across Canada because of the excellent relationships he has developed between those wishing to establish industry in Chatham and the city executive.

The sugar industry has provided employment for many people in Kent county, and it is one of the safest crops that could be introduced to any community. Like the other hon. member who spoke this afternoon, I foresee the time when Canada will provide a much greater proportion of the sugar consumed than is provided at the present time.

To facilitate the location of industry in Chatham, we have been fortunate in the fact that the national housing administration has provided homes for those who have come to this point. For this reason labour is well satisfied and well housed, a combination of facts which has worked out advantageously. I am certain the results would be the same in other places if similar facilities were provided.

Because of its international significance, may I point out the geographical location of my constituency. We are the most southerly part of Canada, reaching as far south as part of the state of California, and for this reason we are blessed with an excellent climate, combined with good soil and climatic conditions.

In addition to these features we have a fishing fleet operating from the ports on lake Erie, and that fleet is on the lake today gathering its catch for the lenten tables of our own province, and the great consuming public to the south of us. One significant fact about one port on lake Erie stands out. It is completely landlocked, with the exception of a narrow outlet so limited in extent that a stone could be thrown across. It is nine miles in length and approximately six miles wide, surrounded by trees of a provincial forest on one side and productive farm land on the other.

I would draw to the attention of the Minister of Public Works (Mr. Fournier) the fact that a submission was made to his department some time earlier promoting the development of this port. It is the most southerly in Canada and, as I have already pointed out, the fact that the fishing fleet is at work proves that there is no ice condition with which to contend. If some work were done at the port now or in the near future the department would succeed in providing one of the safest harbours on the lakes, and one which would open first in any season and accommodate those lake freighters which might choose to tie up at that point. This work could be extended further. We have had numerous inquiries from industries that have indicated a desire to locate in this particular port. With the assistance of the Department of Public Works I am certain that a good deal could be done to develop this

port. Adjacent to the port is land from which the water is diked back. On this land are located people from every country in central Europe who mix with our own people to work this productive soil on which they are able to produce two crops in a season.

There is another matter of perhaps national importance that I would like to draw to the attention of the Minister of Transport (Mr. Chevrier). There is a municipally-owned air field south of Chatham. This field is half-way between the air route from London to Windsor, and it is also on the air lane of the flights to New York, Niagara Falls, Buffalo and Chicago. It is on the route of the T.C.A. planes from Montreal, Ottawa, Toronto, London and Windsor. In 1941 one of the most unfortunate air tragedies this country has ever witnessed occurred in the adjoining county. If the facilities at this field had been extended it is quite possible the large transport plane could have been directed to this airport. If the lives of the 21 people who were killed when the plane crashed could have been saved I am sure that the expenditures would have been considered to be in the interests, not only of our own transport lines but of the transport lines operated by our great neighbour to the south.

I would like to make a few observations about agriculture. Going back in history we can note the development of agriculture, not only in our own country but in the country to the south. The early settlements were in the eastern part of Canada, but as time went on the curtain was rolled back and the plough was placed time and time again to the virgin soil of this country. In so doing we reaped the immediate benefits that accrue from an operation of this kind, but unfortunately in many cases we have not returned enough to the soil so that those who will follow will have the same heritage as those who have had access to the virgin soil of our country.

I sincerely hope that the agricultural program of Canada will be such that our agriculturists will be encouraged to return sufficient to the soil so that this great heritage may continue and our production be as it is at present. As the centuries have gone along and new avenues of production have opened up I am convinced, as I am certain many others in this house are convinced, that the areas of virgin soil are becoming smaller and smaller. We must not forget that only eight per cent of the world's surface is arable.

If we continue to mine the soil the results will be unfortunate and we will not be in position to feed the ever-increasing population of the world.

There never was a time in the history of our country when we heard so much about conservation. There never was a time that the agriculturists of this country had a better opportunity to practice conservation. I am quite certain that we can maintain a better balance within our agriculture which will permit us to meet the demands of the time in which we live. Last year the speech from the throne made reference to reforestation, a matter about which we have been negligent in the past. I am quite certain that if we work with the provincial governments on this it will be to the advantage of Canada and will continue to provide for Canada those things which are essential to our economy.

I would like to refer briefly to the Secretary of State for External Affairs (Mr. Pearson). We are proud that six years of the early life of the minister were spent in Chatham and the people of that area take great pride in the work the minister is doing. We feel that as the twig is bent, so grows the tree. I never want to make one remark about Canada that is not in the best interests of Canada. I feel that if all of us, especially hon. members of this house, would try to sell Canada to the world, the very thing that we fear most—in the words of the late president of the United States, "the only thing to fear is fear itself"—will not happen because no communist or others who think along those lines would be able to find any comfort in our remarks. We would thus attract to our country those people who possibly may not hold the same views that we do but who might be attracted to us by our actions.

The hon. member for Haldimand (Mr. Catherwood) spoke about the one hundredth anniversary of the founding of the county of Haldimand. I would like to mention at this time that the Prime Minister (Mr. St. Laurent) has agreed to visit the county of Kent on the occasion of the 157th anniversary of the founding of Fairfield village, which was founded by the Moravians and later became known as Moraviantown. As you all know from your knowledge of history, that is where the great Indian patriot, Tecumseh, came from. The battle of the Thames will be commemorated this year. As the celebration will have an international complexion, besides the Prime Minister of Canada invitations have been extended to the President of the United States and the governors of five of the adjoining states whose officers and men participated in the battle during the war of 1812 to 1814. Four of these five governors have accepted the invitation to be present on the occasion. Like the hon. member for Haldimand, on behalf of the people who have honoured me by electing me as their representative I invite each and every one of you to be present on the occasion of the 157th anniversary of the founding of Fairfield village.

I would like to refer for a moment to the people who live in the county of Kent. In the early history of our development we were fortunate that people from the adjoining province of Quebec came there, and in their early struggles to found a settlement, the first year of which was not successful, they named their community Pain Court. According to the information I have, the translation of that name into English is "short bread". I regret I am not able to honour the French-speaking members of the house by being able to make some remarks in their language, but I can say that from the time of the naming of this village these people have become some of the best farmers in the county of Kent, and their soil is among the most productive.

So far as trade and commerce is concerned, I am certain that the people of the county of Kent would want me to pay tribute to the Minister of Trade and Commerce (Mr. Howe). In these times many things are being said about the loss of this market and that, but it is not because of lack of effort on the part of the Department of Trade and Commerce. No country in the world today has as extensive a trade commission service as Canada. These young people have been taught in the offices of the various departments in Ottawa, and they are the best ambassadors that Canada can have. In every country they are seeking to promote the sale of the things that we produce, not only industrially and agriculturally but everything that Canada has to offer on the markets of the world. I know that they are doing their very best to sell the goods that we have to offer. I am reminded that the hon. member for Skeena (Mr. Applewhaite) said that in this imperfect world not all is perfect.

I would like to say a few words to the Minister of Veterans Affairs (Mr. Gregg). I am sure every one of us realizes that the government has done an exceptional job for the Canadian veterans of world war II. As the hon. member said, not all is perfect. I should like to mention one point that has been brought to my attention on numerous occasions. As regards small holdings under the Veterans Land Act, many veterans tell me that for two reasons they are not able to establish themselves as they would like to under the existing legislation. The first is that in an area of small communities the requirements of the Veterans Land Act as to small holdings are that if the price of the land is $500 per acre or more at least two acres must be purchased, and if it is below $500 the requirement is three acres. In many small communities adjacent land is highly productive and two acres in the county of Kent, for example, would cost from $2,000 to $2,500. This does not leave the veteran with equity enough to build a home suitable to his needs. After their return from the war many of these veterans have been living in rented houses or in rooms. They have growing families. I am certain that not one of us would deny them the right to home ownership, the pride of ownership, the home the very thing on which Canada is founded. As this matter has been drawn to my attention on several occasions I would ask that it be given consideration and revert to the half-acre requirement. I realize that the construction of homes on small holdings under the Veterans Land Act was not intended as a housing project, but nevertheless it has been a factor in the provision of housing in Canada. As my time is up there are many other things relating to the county of Kent I would like to refer to, and will on another occasion.

In conclusion I would like to observe that I am sure the people whom I have the honour to represent will not ask for, nor expect any favours except in the interests of Canada as a whole. Forming one of the 262 component parts of Canada, all that I will seek as their representative will be a fair and equal distribution of the services that Canada provides, and I shall take an active interest in their behalf.

On motion of Mr. Blair the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: As the first item tomorrow we will take up the motion of the Secretary of State for External Affairs to refer his estimates to the committee on external affairs. We do not believe the debate will be very long, since the first item of his estimates came up on Friday and was discussed for the full day. Then we will take up the motion in the name of the Minister of National Health and Welfare to set up a committee on old age security. Some time during the day we will move to go into committee of supply and call the departments of transport and finance. We will call transport because many hon. members have asked to have a discussion on Friday on the first item of that department. I should like to have finance in because after the estimates of external affairs are referred to the committee not many departments will be left, and sometimes a minister has to go away or is ill; so if there is no objection I would like to have at least three or four departments in.

Motion agreed to and the house adjourned at 10.50 p.m.

HOUSE OF COMMONS

Tuesday, March 7, 1950

The house met at three o'clock.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF FURTHER CORRESPONDENCE WITH PROVINCIAL PREMIERS

Right Hon. L. S. St. Laurent (Prime Minister): I should like to table some further correspondence between the Prime Minister and the premiers of Newfoundland, New Brunswick, Quebec, and British Columbia, respecting the proposed general conference to be held in the autumn of this year. The previous correspondence was tabled on the 16th of February. Perhaps hon. members would wish, as has been done heretofore, to have this correspondence printed as an appendix to *Hansard* of today.

Mr. Speaker: Is it the wish of the house that this correspondence should appear as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

(For text of correspondence, see Appendix, pages 559 and 560.)

HOUSE OF COMMONS

ANNOUNCEMENT AS TO RATES OF PAY FOR STENOGRAPHERS AND AMANUENSES

Mr. Speaker: I should like to make the following announcement:

I have the honour to report that at a meeting of the commissioners of the internal economy on Wednesday, March 1, 1950, consideration was given to rates of pay for stenographers and amanuenses in the House of Commons.

Although I understand that it is not customary at this time to bring before the house such a report, I desire to do so in view of the general interest shown by members of the house in this matter.

After careful consideration it was decided to initiate a policy whereby, the commissioners believe, the stenographers and the amanuenses of the house will be remunerated according to their ability and experience, which should be an incentive to them.

I would assure the house that, before establishing the rates of pay set forth hereunder, inquiries were made as to the salaries paid outside the House of Commons for similar positions and for work under similar circumstances, and I might also say that they have been established in such manner that they may be acceptable if and when any of our continuous temporary stenographers are made permanent in the future.

In future the members' stenographers staff, except stenographers allotted to parliamentary assistants, will be divided into three groups, as follows:

Group I—well qualified.

Group II—competent but lacking main qualifications.

Group III—not as experienced as group II, or lacking in co-operation, or without experience in the House of Commons.

Salary to be paid: Group III, $5.90; Group II, $6.50; Group I, $7.00.

The rating is to be done by the chief of the members' stenographers branch, under the supervision of the Clerk of the House of Commons.

All new appointees will be paid at the minimum rate of pay, namely, $5.90 per day for the first session, after which they may be promoted to a higher group in accordance with their qualifications; and these qualifications are to be reviewed from time to time.

The stenographers working for parliamentary assistants will receive the maximum rate established for stenographers of the pool, namely, $7 per day, but only as long as they continue to work for a parliamentary assistant. If later they work for private members, they must revert to the stenographic scale above established.

In so far as the debates amanuenses are concerned, as they must have special qualifications, and during some sittings of the house have to work from 11 a.m. to 11 p.m., they will receive the following rates of pay: $7.50, $8 and $8.50 per day; the present rate of $7.50 per day to be retained for new appointments, and employees who give satisfactory service and are reappointed in ensuing sessions may be granted an increase of fifty cents per day for each ensuing session up to a maximum of $8.50 per day.

The above changes are to be made retroactive from the beginning of this session.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. L. B. Pearson (Secretary of State for External Affairs) moved:

That votes numbers 64 to 84, inclusive, of the main estimates 1950-51 be withdrawn from the committee of supply and referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

External Affairs

He said: Mr. Speaker, the motion I have the honour to move would refer to the committee on external affairs the estimates of my department, and therefore provide an opportunity for the work of the department and the policy of the government in external matters to be given the kind of examination by a committee which has in the past proved very useful. A similar motion also, Mr. Speaker, has in the past at times initiated discussion of our external relations generally.

A discussion on external affairs was initiated in the house last Friday on a motion to go into supply. As I understand it, the discussion was not completed on Friday evening, and therefore this motion will give hon. members a further opportunity to discuss our external affairs generally, if they so desire. It will also give me the opportunity, I hope, of which I am now taking advantage, to deal with some of the points raised last Friday, and to answer some of the questions addressed to the government at that time. I hope it will also give me an opportunity to clear up some of the confusion and misconceptions which I think might be created by some of the statements then made.

The hon. member for Peel (Mr. Graydon), in his interesting contribution to this debate, said that in discussions of foreign affairs the dice, in a sense, were loaded against speakers on the opposition side of the house because, naturally, they did not have access to all the confidential information at the disposal of the government. Of course, in a sense that is true, and up to a point must necessarily be true. But we do try to keep the house as fully informed as possible about these matters. When there are questions of very general interest and of great importance, I think it would be quite proper for leaders of the opposition parties to receive confidential information from government members on those questions; and if there are questions of a kind which preoccupy leaders of opposition parties or other hon. members, I hope I may be able to show to them confidential information bearing on these matters.

So far as loading the dice is concerned, I would only say that in the discussion we have already had the leader of the opposition (Mr. Drew) spent a good deal of time dealing with the situation in China and the recognition or non-recognition of the communist government in that country. I would point out that we had already supplied him with a memorandum which included a great deal of confidential and, in fact, top-secret information on that subject—a procedure which I think it was proper for us to follow.

The hon. member for Peel stated once again that it was time we told the House of Commons and the country more about the policies of the government in matters of external affairs. The graphic expression he used was that we should roll up the blinds in the east block. I am not quite sure what he meant by that, but I hope he will take the opportunity to go into the matter in a little more detail, possibly at the hearings before the committee—because, so far as I am aware, there is no foreign office in any democratic government that makes more information available to the public and to parliament than we do. Not only are we willing to roll up the blinds, but, on appropriate occasions, we shall be happy to open the windows of the east block as well, even though it may mean that at times we will find ourselves sitting in a draft.

In the statement he made last Friday evening concerning external affairs the leader of the opposition complained that in the statement I had made earlier in the afternoon I had ignored China. In his words, it appeared as if I was almost unaware of China's existence so far as that statement was concerned. He suggested it would have been better if I had been able to give the house some information on the question of the recognition or non-recognition of the communist government in China.

On that point I would say that this is a matter now before the government for consideration. It is a very difficult and complicated question indeed, as will be apparent from the fact that countries such as the United Kingdom and India have recognized the communist government in China, while other countries such as the United States and France have not done so. Therefore the question arises whether the government, in the midst of difficult and somewhat delicate discussions on the matter, should make public at this time all the arguments for and against a particular course of action.

I can assure you, Mr. Speaker, that when in the light of all the facts a decision is made, it will be given immediately to the House of Commons and to the country. Of course under our parliamentary system that decision is the responsibility of the government—as indeed the leader of the opposition himself indicated the other night. At that time he warned us of haste in this matter. To use his own words:

> We are under no compulsion to act hastily, but I believe we are under great compulsion as a nation to act with caution, with great care and after a full examination of all the consequences that would flow from recognition at this time.

I agree entirely with that, and indeed we are acting with great caution. One reason for delay—and it is only one reason, of course—is to give to hon. members a chance to state in this house their point of view on this ques-

tion. Indeed, the request was made to the government by hon. members opposite that they should be given an opportunity to express their point of view on this matter before we came to a decision. They have had that opportunity. The C.C.F. party has indicated its position. The Conservative party, through its leader and the Conservative members in the house, have had an opportunity to express their views. As a result, these views will be of value to the government in coming to a decision.

In his statement the other night it seemed to me that the leader of the opposition jumped to a completely wrong conclusion on inadequate evidence when he said that a decision seems to have been made. The evidence he quoted for coming to that conclusion was a statement made by General McNaughton. The leader of the opposition used these words, as reported at page 462 of *Hansard*:

> Let us see what it was that was under consideration in the remarks of General McNaughton when he made it quite clear that early recognition is under consideration or has actually been decided upon.

Those remarks of General McNaughton, indeed his whole statement, meant nothing of the kind. In the statement to which reference has been made, General McNaughton said—and I quote from his speech as it was quoted at page 459 of *Hansard*:

> Unfortunately the further progress of these meetings—

That is, meetings of the atomic energy group consisting of the permanent members of the security council plus Canada.

> —has been held up by the Soviet refusal to participate as long as the Chinese delegate represented the nationalist government. However, there is reason to expect that the meetings will again be resumed shortly when this difficulty has been overcome.

That was a personal statement of General McNaughton with respect to the composition and the hearings of the atomic energy group, an agency of the security council of the United Nations. I can assure you, Mr. Speaker, that in those statements General McNaughton was not referring in any way to discussions on this matter by the Canadian government. General McNaughton has not been informed of, nor is he indeed greatly concerned with, such discussions. The meaning of his statement is quite clear. He was talking about a group appointed by the security council to discuss atomic energy questions. The composition of that group and the representation of China on that group would be determined by a decision of the security council of the United Nations. General McNaughton apparently thought at that time that there might be added, to the five members out of the eleven of the security council who have recognized China, one or two others; that this would change the balance in the security council and might thereby make a change in the composition of the atomic energy group. But General McNaughton could not have been referring to Canada in that connection, because Canada is not now a member of the security council and would not be concerned in any such change in it.

In our discussion the other night the leader of the opposition devoted some time to "recognition" in international law. In discussing the question he quoted from a recognized authority in that field, Professor Lauterpacht. It seems to me, Mr. Speaker, that there has been a good deal of confusion in people's minds as to what is meant by recognition, and I think this might be a good opportunity to clear the matter up so far as I am able to do so. It is of immediate importance now in connection with this particular problem of China.

In considering this matter we must distinguish between recognition of a new state and recognition of a new government. The two things are quite different. Under recognition of a new government we must distinguish between *de facto* recognition and *de jure* recognition, between implied recognition and express recognition. We must distinguish between recognition of a government whose authority has been challenged and is still under challenge, and recognition of a government whose authority is no longer being challenged by any alternative form of government. Then finally we must distinguish between recognition on the one hand and diplomatic representation on the other—this is quite a different matter, although the two things were certainly confused, I thought, the other night.

In connection with China we are dealing at this time only with recognition of a new government, not recognition of a new state. In deciding whether recognition should or should not be given to a new government certain criteria—certain conditions, if you like—have been laid down by authorities on international law, such as Oppenheimer, Brierly, Jessup, Lauterpacht and others. But these conditions, of course, have never been, and were never meant to be, applied rigidly and without exception. I mentioned some of these criteria in my statement last December when I was talking about this Chinese question. I said then that if the particular conditions which I mentioned were fulfilled in China to our satisfaction, and I quote from my words, we "would have to face the facts which confront us."

The four conditions—I think three of them were mentioned last Friday night by the

leader of the opposition, but there are at least four—are as follows. One is the effectiveness of the authority of the government concerned. The second is the independence of the government concerned—something that is not always easy to determine, especially in the case of countries like Tibet, Viet Nam and China. The third is the ability and the willingness of the government concerned to carry out its international obligations. That condition, of course, cannot always be applied too rigorously and too exactly. If it were always applied in that way we might today be recognizing the government of Mr. Kerensky in Moscow. Finally there is the question of acceptability of the new government by the people over whom it exercises authority.

In dealing with this fourth question, acceptability—and it is an important question—Professor Lauterpacht, the authority previously quoted, has stated, and I think he is right, that acceptability does not necessarily mean now acceptability by—and I quote his words—"freely expressed popular approval." There must be other evidence. There must be the question of the people's resistance to the challenger of the government, or the reaction of the people to the new government—how they accept the new government's rule. But in dealing with this question the other night the leader of the opposition said that the United Nations resolution passed in 1946 establishes once again the principle that acceptability must be by freely expressed popular approval. I should like to refer to that part of his statement. He said that in 1946 a resolution of the United Nations assembly was passed dealing with Franco Spain, and that its purport was that a decision was made by the United Nations that there would not be recognition of the government of Franco Spain until it was a government with the consent of the governed. He then went on to argue that it altered the existing system of international law in so far as this point is concerned, because this was a resolution of the United Nations, and as the leader of the opposition said at that time:

> This—

The reference is to the resolution.

> —becomes a most emphatic statement of international law, and remains so until it has been repealed.

On that point I should only like to remark that resolutions of the United Nations do not make international law by their passage at Lake Success. It has been well established there, and it is accepted by every delegation attending the United Nations, that a resolution of that body is not international law. It is an expression of international opinion, but it does not of itself alter international law, and, as I understand it, it did not alter international law on this occasion.

Furthermore, Mr. Speaker, this particular resolution had nothing whatever to do with recognition. It was a resolution which concerned the government of Spain. Among other things it was a resolution against the participation of the present government of Spain in meetings of the United Nations, and it was a resolution for the recall of ambassadors and ministers from Madrid. It did not concern in any way, shape or form the recognition of Franco. As a matter of fact it did not even recommend a diplomatic break with Franco. It merely recommended that ambassadors and ministers should be withdrawn from Spain. It did not recommend that diplomatic missions should be closed, and they have not been closed since the resolution was passed.

Therefore I suggest there is no use, Mr. Speaker, in trying to draw an analogy on this occasion between our attitude towards Franco Spain and our possible attitude towards the government of China. As a matter of fact, the Canadian government recognized the Franco government of Spain in 1939, and has not withdrawn or altered its recognition since that time.

Another argument which was made the other night against the recognition of communist China by the leader of the opposition—and I quote him again—was when he said:

> In that area recognition of China would be regarded almost as a fatal blow to Viet Nam. . . .

He was referring to the new state of Indo-China. If that is true, then in that area Burma, India, Pakistan, Ceylon and the United Kingdom all have struck that fatal blow because they have all recognized the communist government of China. The government of Indonesia, now a very important state in that area, has said that it will be glad to recognize the government of communist China as soon as that government recognizes it. Nevertheless the leader of the opposition said, with reference to the opinion that it would be a fatal blow to Viet Nam:

> . . . that is the view publicly expressed by men with a great deal longer experience than the Secretary of State for External Affairs in this government.

That might well be the case, but if so it would be helpful in our discussion of these matters if we knew who were the gentlemen who advocated that course. Furthermore, on this point the statement was made by the leader of the opposition that we had already recognized the state of Viet Nam, and when I shook my head the other evening to negate his statement I was met merely by the reply which I have just quoted. What I wanted to

point out at that time, and of course can point out now, is that we have not recognized the state of Viet Nam at this time.

In dealing with this matter the leader of the opposition rejected the argument that if we did not recognize communist China the Soviet delegation would walk out of the United Nations, and that would be blackmail. I entirely agree with him. It is blackmail, but it will have nothing to do with our decision on this matter one way or the other. I have already condemned as childish arrogance that kind of tactic on the part of Soviet delegations and their satellites, and I entirely agree with the leader of the opposition that we should not submit to such tactics.

In dealing with this point the other night the leader of the opposition added that such walkouts render the United Nations impotent. They are of course unfortunate in relation to the efficient conduct of the work of the United Nations, in one sense; they bring the United Nations into disrepute, but not as much disrepute as they bring on the delegations who walk out. They do not make the United Nations impotent, and should not be allowed to do so. Indeed, since these walkouts have occurred we have had continuous meetings of some of the most important agencies of the United Nations, including the economic and social council, which has never been able to do its work so expeditiously and effectively as on the occasion when there was no Soviet delegation present. Furthermore, the security council has been meeting since these walkouts occurred.

The situation in regard to recognition of communist China and its effect on the United Nations was referred to by the leader of the opposition the other evening when he said that only two proponents of recognition were now in the security council, and only three in the other agencies of the United Nations. As a matter of fact the situation is that in the general assembly of the United Nations there are fifteen members who have recognized communist China. Of the eleven members of the security council, five have recognized communist China. Of the twelve members of the atomic energy commission, five have recognized the government of communist China. In the economic and social council seven have recognized it; in the international labour office, seventeen; in the food and agricultural organization, sixteen, and so on. More members of the United Nations have taken this step than was indicated the other evening by the leader of the opposition.

The fact is that in some of these agencies we are approaching a position where a majority of the members concerned may be representatives of governments which have recognized the new government of communist China. If we reach that position in fact, those states which have not concurred in such recognition will be confronted by a very difficult situation indeed. If we find ourselves in the minority, should we walk out? Of course that would be absurd; but if we do not walk out and we do not recognize communist China, then the alternative is to remain there and work with delegations from communist China, and by so doing give them a form of recognition. All this shows how complicated and difficult the problem is.

In his remarks the other evening the leader of the opposition stated, with great emphasis, great eloquence and great impressiveness, I thought, that we had to stem the Red tide in Asia. Well, so we do; but how? When he attempted to answer that question I venture to suggest that he got into the same kind of difficulty I often get into when I make general statements and then try to follow them up with concrete observations. He did say, however, that in answering that question we should not fall into the language of diplomatic mumbo-jumbo. I entirely agree with that. When he attempted to answer that very important question himself he set out certain things which I might just mention—and I hope I am putting them correctly.

First he said there should be no hasty recognition. I entirely agree; and I do not think we can be accused of undue haste in this matter. He said that recognition should not be granted until certain conditions were fulfilled, and those conditions he enumerated in his statement. I think the most important one—and I hope I am quoting him correctly—was that there shall be common action, that there shall be a clear and universal pattern of strategy which will be known to the people of the free nations, and which will be known in the clearest detail to the nations which threaten our peace and security. Certainly, he went on to state, there should be no recognition of the Mao regime until those conditions are fulfilled.

Well, Mr. Speaker, it is going to be a little difficult at this date to agree on a common policy, which was a condition he suggested before we could give recognition; because no such common policy is possible as long as some of the states out in that portion of the world have already recognized communist China. On that point the hon. gentleman quoted from a statement of Mr. Anthony Eden, the former secretary of state for foreign affairs in London, to the effect that we should be very careful on the question of appeasement and hasty recognition. I venture to read into the record again one paragraph of the

statement by Mr. Eden quoted by the leader of the opposition, as it appears at page 465 of *Hansard*:

> As regards actual recognition, there is a fair field for argument on practical as well as on legal grounds. It is a real misfortune that in this, as in other Far Eastern matters, we should be acting piecemeal . . .

That was the quotation given by the leader of the opposition the other evening. The copy of Mr. Eden's statement on that occasion which I have seen, and which I would like to put on record, adds a few words to that quotation; and I now quote from the text of Mr. Eden's statement:

> As regards actual recognition, there is a fair field for argument on practical as well as on legal grounds. The decision to recognize is no doubt eventually inescapable . . .

Those are the additional words in my text.

The third condition laid down by the leader of the opposition—though I do not know whether you could call it a condition—was that we should agree on help to the peoples of Asia; and I am sure there will be no difference of opinion on that.

The fourth suggestion he made was in his reference to a Pacific pact, and on that very important question he quoted me as follows—I refer to his words as reported at page 464 of *Hansard*:

> The proposal has been put forward in this house on different occasions by the hon. member for Vancouver-Quadra (Mr. Green), that a Pacific pact to complement the Atlantic pact should be brought into being. Today the Secretary of State for External Affairs said that that could not be done because if the nations of the Pacific were to be invited to consider a Pacific pact it would be necessary to invite Russia and China.

That is not exactly what I said. I said that would be one consideration, whether it would be possible to invite Russia and China to a conference which would be discussing a regional pact in the Pacific. Of course I am not quite so naive as to suggest that if an invitation of that kind were sent, and if it had the conditions which normally attach to such invitations, the Russians would accept it. I am not even sure whether it would be of any use to send them such an invitation. My argument against a Pacific pact at this time, which is not mentioned in this statement, was that in my opinion it would be futile and unwise to proceed with a conference to negotiate a Pacific security and mutual guarantee pact at a time when the United States, the United Kingdom and India have indicated that they would not be able to participate in any such conference. Surely that serious argument is enough to explain why we have not accepted certain advice which has been given us in this house to push ahead with a Pacific pact at this time.

I thought I had made my position perfectly clear on this matter both on Friday and on previous occasions, and that in doing so I had not lapsed into the diplomatic language of mumbo-jumbo. If, however, the situation in the Pacific should change and should become analogous to the situation that obtained in the Atlantic when we proceeded to work out the North Atlantic pact, then certainly we would have to reconsider our attitude toward this matter.

Finally the leader of the opposition made a strong and eloquent appeal against anything which might be interpreted as appeasement of communist aggression. I agree with him, though appeasement is one of those very difficult and dangerous words which can be interpreted in many ways. If by appeasement we mean prejudicing our own security or the security of the democratic world by making extorted and unnecessary concessions to a possible aggressor in the hope that it might keep him quiet; or if we mean assisting, encouraging and strengthening those whom we thought had aggressive designs, then of course I am sure everyone in this house is against appeasement. But it is a dangerous word, which should not be used carelessly. Appeasement is not the same as peace, nor is it the same as a desire for peace.

In his statement last Friday evening the leader of the opposition also said, as reported at page 465 of *Hansard*:

> Every word I have spoken is a word to urge upon this government the duty to say in no uncertain terms, no matter what may be said by other governments in the world: "Appeasement is going to go no further; we have learned the lessons of the past and there will be no truck and trade with tyranny of this kind unless and until they are at least prepared to accept the ordinary standards of international conduct."

In my statement I said, as reported at pages 429-30 of *Hansard*:

> So far as Canada is concerned . . . there will never be any lack of willingness to search for a solution to this and the other problems which divide us from the communist world.

I suggest there is no contradiction between the two statements. In this connection I referred to the necessity of genuine compromise and accommodation; and I made it abundantly clear, I hope, that the Canadian government was fully aware of the danger of appeasement of the kind I have just indicated, but at the same time was conscious of a duty to keep searching for some way out of the present impasse.

Last Friday the hon. member for Peel spoke in a similar vein, with perhaps fewer qualifications than I gave, when he said, as reported at page 434 of *Hansard*:

> . . . the most vital job at the hand of every responsible nation of the world today is somehow to find the way to stop the present aimless international drifting. . . .

This, I remind the house, is a quotation from a speech made by the hon. member for Peel.

> . . . which is causing no end of alarm to the ordinary citizens of the world, because they have a revolting fear that a continuation of this squaring off of one group of nations towards another may end in another armed holocaust.

With those words, Mr. Speaker, I entirely agree.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, the motion now before us has just been moved and therefore was not under discussion when this broad subject was being discussed on Friday night. I shall now, therefore, deal with the motion and with the remarks which the Secretary of State for External Affairs (Mr. Pearson) has made.

First of all I regret that, on so important a subject, the Secretary of State for External Affairs should have spent so much time in quibbling about what he said last Friday. I should start by removing the wholly improper impression he sought to convey—that any words had been withheld from the quotation of the statement by Anthony Eden. I shall correct that impression by reading the whole statement into the record, although it involves some repetition.

So far as this government is concerned, so far as this parliament is concerned, each member is responsible for the fulfilment of his duties. It is not for us to follow anyone else blindly. Nevertheless I do not hesitate to say that Mr. Anthony Eden, who had the courage to resign from the British cabinet over the Italian issue, has had longer experience than the present Secretary of State for External Affairs for Canada. I attach a good deal of importance to the views he expressed. Although it will take a few minutes to do it, I propose to read into the record, because of the suggestion that words had been left out which might have changed the effect of the quotation, the whole of the statement.

I need hardly point out to those who either have read *Hansard* or have followed the course of this debate that I quoted a great deal more than the Secretary of State for External Affairs mentioned. This article appeared on January 16; it was syndicated and was published in a great many newspapers throughout the world. It appeared exactly ten days after the recognition by Britain of the Mao regime—it is important to remember that it was not before that time. The article reads as follows:

> The Far Eastern policies of the Atlantic powers and their friends are in a rather dismal tangle. They all apparently intend the same thing but they are moving at so different a pace that they are jerkily out of step.
>
> Recognition of the communist government in China provides a recent example of this inconsistency, though not the most important. The divergence of view and discrepancy of action between the British and American governments in this instance may even do good if they draw attention in both countries to the urgent need to co-ordinate policies without further delay.
>
> As regards actual recognition, there is a fair field for argument on practical as well as on legal grounds. It is a real misfortune that in this, as in other Far Eastern matters, we should be acting piecemeal both within the commonwealth and as between the commonwealth and the United States.

At this point I should say that that was the quotation in respect of which the Secretary of State for External Affairs read further words. This is what immediately follows:

> The French, too, appear to be embarrassed by our timing. I regard all this as deplorable, not for any reasons of diplomatic neatness, but because it emphasizes that there was no agreement between friends on handling Far Eastern affairs.
>
> This is tempting to those communist forces who seek to drive a wedge between us.
>
> On my return from Malaya last spring I gave warning that the communist challenge in southeast Asia was growing in force. I urged that common policies should be agreed upon within the commonwealth and with the signatories of the North Atlantic treaty in an attempt to hearten and sustain anti-communist forces.
>
> Unfortunately, the last year has been largely wasted. The Colombo conference has given the first sign of any positive co-ordinated plan to meet this threat. There are some who have regarded resurgent upheavals in the Far East as no more than the growing pains of a new nationalism, but even they must surely now accept that in this disruption may be found seeds of mortal weakness.
>
> We must first determine the nature of our problem in southeast Asia and next consider how together we can make headway toward its solution. In the first instance, the problem is economic.
>
> We should make a fatal error were we to underestimate the extent of the challenge free nations have to meet. The overwhelming triumph of Mao Tze-tung in China has transformed the whole position in the Far East. His methods have now become the blueprint for communist plans and the pattern for communist action throughout the Orient.
>
> For the time being, at least, China is taking the orthodox road mapped out by Lenin, and that is the road which starts and finishes in Moscow. Independent nationalist communism is certainly possible later, but we should be unwise to count upon it.
>
> The problem that confronts the powers in southeast Asia is infinitely more complex than that which Marshall aid is combating in Europe. These eastern countries have widely contrasting resources in wealth, wisdom and statesmanship. Their traditions, experience, religions and sense of purpose and responsibility are poles apart. They have scarcely a common denominator, yet all must be gathered in and helped to build together with the limited contribution that other free lands can bring to the economic life upon which their political resistance to communism can be founded.
>
> We must make a broad plan for economic help for southeast Asia that takes account of the free world's existing commitments and remaining resources. Such a plan must facilitate foreign investment, without exacerbating national feelings, without treating such investment so roughly as to make sure that it is never repeated. There should be provision for capital equipment and new plans for irrigation, transport and communications. In all

these matters the Atlantic powers and the nations of the commonwealth can help in the material and in the technical sphere.

Aid to the east should therefore take three forms. The first is essential to give that financial and economic support without which we cannot hope to create conditions that can successfully withstand the challenge of communism. Second, some military help will be necessary in the form of military missions, arms and equipment. Here close co-ordination between neighbouring countries is urgently needed. Third, there should be an agreed strategy in all this area between the powers principally concerned, and their burden both in troops and political responsibility fairly adjusted.

It is equally necessary that our several intelligence services in the Far East should be reviewed and co-ordinated.

I therefore repeat that the most urgent need is for us to have a common policy in these affairs. No nation can, by itself, save the Far East.

Our common policy must be founded upon determination to help the peoples of southeast Asia to live in freedom from want or fear. Without our aid they are doomed to all the consequences of communist rule, and if they should fall, who can doubt that the danger to the peace of all the world would move nearer and yet nearer to home?

That is the complete quotation from the great wartime foreign secretary of Great Britain. I might say that appeared, as I have read it, in the New York *Times* of January 20, 1950, a paper that I believe will be regarded by everyone as a completely reliable publication.

When the Secretary of State for External Affairs, in a rather jaunty manner, talks about the difficulties that he has encountered when he makes general statements and then tries to follow them up with positive statements, he is quite competent to speak for himself. I have no doubt that is an accurate description of the situation in which he usually finds himself; but I followed with the very clear statement that here was the answer to the problem. This was not a statement made before there was British recognition. When he suggests that British recognition and the recognition of India, Pakistan and other countries makes it impossible now to have a uniform pattern, he is challenging the common sense and accuracy of the statement of Mr. Anthony Eden, which I have read, in regard to this very subject; because these other recognitions had been made at the time that this positive statement was made.

Let me deal with some of these points that have been brought up today—because this is not a situation that can be disposed of by quibbling or by badinage. It is a subject that, as has been pointed out by Mr. Anthony Eden, presents a critical challenge to the whole world at this hour. It should be the first concern of this parliament and of the government of Canada to recognize that, if this critical situation should lead to an explosion, then our full compliance with every other undertaking we have accepted, and our full and wholehearted support of the Atlantic pact, will have proved completely unavailing to preserve that peace which is the aim of every sensible person in this country and of every thoughtful human being throughout the world.

I just want to make one point quite clear. I do not for a moment question the fact that the Secretary of State for External Affairs has acted in his official capacity with courtesy to the members of this house with whom he has dealt and to those who have no official positions, whether on the government side or on the other side of the house. I want one thing to be quite clearly understood. I have received no information from him on this subject which would adequately explain to me what knowledge the government now has in regard to this extremely important subject. The Secretary of State for External Affairs did present to me a memorandum dealing with the Chinese question, which was a confidential memorandum. He said it was top secret, and it was so marked. It was delivered to me on November 29, 1949. It was delivered before he was in the Orient, and incidentally before recognition had taken place by India, the United Kingdom, Pakistan or the other nations he has mentioned. A great deal has happened since that time—a very great deal. There has been a wholly changed situation in China and in the Orient. For one thing, there has been an agreement between the Mao regime and the Soviet union. I was under the impression it was suggested that the government was not fully informed in regard to that agreement. Was I correct in that?

Mr. Pearson: Apparently there are secret clauses.

Mr. Drew: The reason I asked the question is that the whole text of the agreement was published on February 15 in the New York *Times*. There may be secret clauses, but there is a very full agreement which does indicate the nature of the thirty-year alliance that has been signed between the Soviet union and the Mao regime following some two months of negotiation in Moscow. And as I recalled the other night, there is a startling similarity between many of the terms in this agreement and those of the agreement that was signed on August 26, 1939, between Hitler's government and the government of Russia.

I would commend to the earnest consideration of those who are following the course of history the photograph that appeared in the New York *Times* of February 16. There they will see Mr. Stalin, Mr. Molotov and Mr. Vishinsky taking their part in the signing of this agreement in the presence of Mr. Mao.

I commend that picture to their attention because of the extraordinary similarity of it to a picture which appeared after Ribbentrop had signed an agreement on behalf of Germany on that fateful day of August 26, 1939.

So far as that memorandum was concerned, the Secretary of State for External Affairs did make it available to me, but I want it known that I am not informed secretly of any information which would assist me in understanding what course the government is likely to take in the light of subsequent events, and it is within that period that there have been important events. Certainly we have gained no information from the three speeches made by the Secretary of State for External Affairs that would assist us in that respect.

An hon. Member: Mumbo-jumbo.

Mr. Pouliot: Jumbo yourself.

Mr. Smith (Calgary West): Jumbo's baby.

Mr. Fraser: He has not opened the window yet.

Mr. Drew: The Secretary of State for External Affairs has tried to create the impression that General McNaughton's statement was simply a personal statement in regard to what was taking place at Lake Success. General McNaughton cannot divest himself of his official position. He is there as an official appointed by the Canadian government, and he is still Canadian representative on the atomic energy commission of the United Nations. He still is the chairman of the Canadian section of the permanent joint board on defence. He occupies these official positions, and he cannot on one occasion wear the cloak that indicates his responsibility in that respect, and on another occasion divest himself of it.

The Secretary of State for External Affairs says that General McNaughton was referring to the discussions of a group dealing with atomic energy questions. General McNaughton was referring to the walkout of the Soviet delegates and of the delegates of the satellite nations—and this was not just once; there were fifteen walkouts from different committees. When the Secretary of State for External Affairs indicates that Canada is not concerned, I should think Canada should be very much concerned about this pressure that is being exerted to have the other nations bow to their will in a matter of this kind. It is not something that might take place; it is something that has taken place. And when we talk of the position that Canada would be in if they did it, I say they have done it. They have walked out, and they have walked out for the particular purpose of asserting their position in regard to the Chinese situation.

What I said the other night, and what I repeat now, is that this is a form of blackmail; and if the other nations accede to that procedure, then the discussions there will become practically meaningless. I said the other night, and I repeat today, that Russia has a way of presenting its case. It can make arguments; it has a right to make arguments if it does not think that the present Chinese representative should be there and that the representative of Mao should be there, and that that is the way they should proceed.

No; I never suggested that Canada should walk out. As the Secretary of State for External Affairs has said, it would be an absurd suggestion; and frankly I think it is absurd for him even to indicate that anyone would think of it. We do not suggest that for one moment. What was being suggested was that this is a new set of events since Great Britain and India recognized the Mao regime.

Let me come back to the statement of General McNaughton. The Secretary of State for External Affairs has read it. It states:

> Unfortunately the further progress of these meetings has been held up by the Soviet refusal to participate as long as the Chinese delegate represented the nationalist government. However there is reason to expect that the meetings will again be resumed shortly when this difficulty has been overcome.

What I said when I mentioned this before, and what I say again, is that General McNaughton's words on that occasion have no meaning unless they were intended to imply that this difficulty, the presence of the present Chinese representative, would only be disposed of by his being replaced by a representative of the Mao regime. The Secretary of State for External Affairs nods his head in seeming approval. That is exactly what I said the other night, and it is what I say now. General McNaughton was saying that the Soviet delegate and those supporting him were pointing out that we were holding things up. The Secretary of State for External Affairs says nothing is being held up. General McNaughton said, "further progress of these meetings has been held up." Well, perhaps he does not know, but he is the Canadian representative at those meetings. He is referring to a situation which relates to fifteen separate acts which were part of a common pattern.

The Secretary of State for External Affairs went on to deal with the question of recognition. He said we have to distinguish between a government whose authority is being challenged, and a government which has just been formed; also that there is a difference between the recognition of a state and the recognition of a new government. He said

that in the case of China we are dealing with the recognition of a new government, not of a new state. Well, that does not in any way affect the earlier discussion. It does not affect the validity of the observations which have been made. The action taken by the United Nations on December 12, 1946, was action which removed recognition to the extent that you are seeing from day to day now, in the press, suggestions that Franco Spain is about to be recognized.

It is always very interesting to see pained contortions on the face of the Secretary of State for External Affairs, but they are not supported by words. It would seem he has some internal disturbance that indicates more information than he was prepared to give us a moment ago.

The Secretary of State for External Affairs was definitely creating the impression that what had happened on December 12, 1946, had nothing to do with recognition. It is strange, if that is so, that in many countries today consideration is being given to the question whether there should be recognition or not. That is appearing in the press time and again.

As to the interpretation of General McNaughton's words in regard to China, may I just add this comment to what I have already said. The Ottawa *Journal*, on its editorial page on February 27, obviously found that the words have the same meaning, because in an editorial with the heading "McNaughton sees China recognized," they say:

> But we didn't set out here to gaze into the crystal ourselves. It is General McNaughton who has done so, and we note his prophecy with interest.

I quote that merely because on its editorial page this highly respected publication has drawn the same conclusion. What I sought to point out was this, when I quoted the four points laid down by Professor Lauterpacht—and I did not quote three, as the Secretary of State for External Affairs suggested today; if he will read *Hansard* he will know that. I quoted four points which were set down by Professor Lauterpacht as the conditions of recognition, and I pointed out that there was this additional matter which should be considered.

Now, what is clear in Professor Lauterpacht's statement, and what is clear in the discussion of this subject of recognition in the textbooks, is that this is something that takes form from time to time as the result of experience and as the result of views that are established.

In the very article I quoted on Friday night, Professor Lauterpacht said that Great Britain until recent years had insisted upon the approval of the people as a condition of recognition, but that this had changed. The United Nations is not a body that is from day to day writing a code on international law; but the United Nations represent this great international group of nations, and surely what they do as a group does establish what may be the international point of view in regard to a particular subject at a particular time.

At that time, in December, 1946, they pointed out that recognition of the countries whose representatives met to express their views was a matter of some importance. As I said earlier,—and in view of the comment made by the Secretary of State for External Affairs I find it necessary to repeat it—if that was a ground for withdrawing recognition, or if the minister quibbles over the word "recognition" and would like to limit it to the withdrawal of diplomatic officials, then certainly the resolution was based upon the fact that the Franco government had not been the demonstrated choice of the people. I say now, and I said then, that if that was the position taken, surely it is a strange thing now for the government of any country which is a member of the United Nations to be disregarding it when dealing with recognition in China.

As for recognition, I said on Friday night that I hoped the time would come when there would be a restoration of those conditions which would make it possible to recognize a government in China, and to recognize other governments. May I say now that every person who hopes for peace will also hope—and must hope, as a basis for peace—that there be an improvement of conditions throughout the world which will make it possible for the government of Canada and every other government to recognize the lawful governments of every nation in the world.

But, Mr. Speaker, I do come back to the very strong appeal made by Mr. Anthony Eden, whose course in this respect is clear. In his case it was not wisdom after the event. In his case we find a clear understanding of the need for firm and united action in dealing with aggression of this kind. He resigned from the Chamberlain government because he felt that appeasement of Mussolini would lead to war. His view with regard to appeasement of Germany was equally strong. The Secretary of State for External Affairs has just stated that appeasement is not the same as peace, that it is not a word that expresses a desire for peace. No, appeasement is the very opposite. In 1939 we learned that appeasement is the one sure way to make war inevitable. If the nations who meet at Lake Success submit to the tactics employed by

Russia and the satellite states, then it will be a repetition of the same course of action which led to such costly consequences in 1939.

Recognition of the Mao regime is only one part of this picture. Quite unintentionally, I am sure, the Secretary of State for External Affairs left some impression that I had dealt with recognition as though that were the one problem in China. There are of course many problems in China. In my discussion on Friday night I did not limit the subject in that way. I made it clear that it was a broad subject. As reported at page 459 of *Hansard* I said:

> Today China represents the most critical spot in the whole world and any presentation of foreign affairs by the minister responsible for that branch of government which ignores the critical problems of that great area at this moment is an address to this house which hardly does credit to the hon. members who sit here.

Then I went on to speak of the particular problem, and I said:

> There is one particular subject in connection with the whole situation in China which has been passed over casually and this house has not yet received any information which would give the views of the government as to those considerations which should be in the minds of members of this house and of Canadians generally in regard to the extremely important question of the recognition of the Mao regime in that country.

In that statement I was not suggesting that we should be substituted for the government in the exercise of its responsibility. I said that we had not been informed as to the views of the government with regard to those considerations which should be in our minds; and we are still uninformed, as far as the government is concerned, as to the considerations which should be in our minds on this important subject.

I will close these remarks with an attempt to emphasize what I believe is the vital importance of this situation. Mr. Anthony Eden, in his speech, used the words "fatal consequence." He referred to the terrible dangers that are before us. For that reason one need not hesitate to emphasize what he has said. He used such expressions as this: "We should make a fatal error were we to underestimate the extent of the challenge free nations have to meet." I am speaking only as one member of this house about a situation which may destroy all the hopes of peace that are in the hearts of the people of Canada unless the present issue is faced clearly and the facts are recognized, not dodged, at this critical moment.

What I again urge should be considered by the government is that the Canadian government, whose hands are still free at a time when all these things have become known as they were not known on January 6 when the governments of Great Britain and India recognized the Mao regime, should take a lead in asking—and they can only ask—that a uniform pattern of strategy be established in the whole Pacific area. As was pointed out in these remarks, that strategy should take three forms. It should not relate alone to the political events. There are the economic aspects. There is also to be considered the question of military aid such as is being given in Europe. There should be an agreed strategy which will be known to the nations who are seeking to stop aggression as it will be known to those who are threatening the peace of the world. This subject transcends all others in importance today; because upon the course that is followed may well depend whether we have long years of peace or whether, once again, the whole world is plunged into war.

In my hand I have a map of Europe and Asia. It is not a comforting sight. The great bulk of the land mass of that vast continent, stretching from the Atlantic on the west to the Pacific on the east, is occupied by Russia or the satellite states. While we see that at the moment there is no threatened outbreak anywhere along that line which divides the east from the west, and which is so truly described as the iron curtain, we know that in the east, and particularly in southeast Asia, there is fighting, subversive activity and disturbance, that there is a complete picture of uncertainty and unrest which suggests that a point of stability has not yet been reached.

If we are to hope for stability throughout the world, every nation on the Atlantic and on the Pacific should study these facts and examine them, as has been suggested by Mr. Anthony Eden out of his long years of experience during both war and peace; and Canada, with its fresh and unprejudiced voice, should urge other nations to meet, whether they have recognized the Mao regime or not; and if they have, it imposes no limitation. Then a broad plan of strategy should be urged, to which our future conduct will conform.

On Friday night I was asked if what I had said was with the hope of peace. The answer is yes; but I repeat that if we are going to have peace we must remember the lessons of the past. We must decide right now that the way to preserve peace is not to appease an aggressor. In regard to this whole subject there is a complacency which has been emphasized by so many people in the past few weeks. There is vigorous action in Europe to preserve peace by economic support, by the supply of arms and by constant co-operation. There is just as great a need for similar co-operation in the Pacific if the peace of the world is to be preserved. With

what we can see taking place almost before our eyes in this house, and what can be seen in similar parliaments, I think at this time there should be an urgent appeal to wake up before it is too late and act together to save the peace for which so many men and women have died.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, my first word must be to say that we support the reference of these estimates, as proposed by the Secretary of State for External Affairs (Mr. Pearson), to the standing committee on external affairs. I believe that the house should be supplied with all available information that can be given to hon. members from time to time in order that we may understand, better than we have in the past, the external relations of this country and the international situation. I am glad indeed to note that there is a greater interest in external affairs in this parliament than in former parliaments. In the days before the last war we usually had a debate for half a day which was most often asked for by the former leader of the C.C.F., Mr. J. S. Woodsworth, and it usually petered out in a few hours. It is indeed good to see the house interested in this subject as evidenced by those who were here on Friday last, although I was absent myself, and again today.

I was hoping that the debate today might range over a rather wider field than the relationship between Canada and China. It has taken that course, however, and I propose to say something about the situation a little later. What I should like to say first of all is that too often in the past and even at the present time we have been inclined to discuss international affairs apart from certain economic realities. After all, I think we should have learned by this time that economic realities are responsible to a greater degree than possibly we have appreciated in the past for the political and other disturbances that arise internationally. In my remarks I do not intend to confine myself to one type of totalitarianism because in the past twenty-five years we have seen two types, that which is called soviet communism and that which is called fascism. The seeds of both have been implanted deeply in the world and are still there, and we cannot tell when fascism may appear again in opposition to communism.

For a good many years we have tried to drive home the fact that we must pay attention to the economic conditions all over the world, including those in our own country. It was out of the misery and oppression of the czarist regime that the present form of communism arose in Russia and spread across the world. It was out of the misery and poverty of the Italian people that Mussolini was able to organize the march on Rome and set up the fascist regime. It was equally out of the unemployment and misery of the German people that Hitler and his nazi party, to our sorrow, were able to rise and obtain power in that great country.

Today the threat of communism is serious because millions of people in the world are existing in the direst poverty, misery and want. In a dispatch, for example, from London, dated March 6, Lord Boyd Orr, the former director general of the United Nations food and agricultural organization—and incidentally the 1949 Nobel peace prize winner—is reported to have said:

> Hunger and not politics is responsible for the spread of communism in Asia.

May I point out that we have also been saying the same thing continually over the years. I recollect that in discussing the government's white paper on the war appropriation bill in April of 1945 I said:

> No financial agreement can be successful unless a solution is found for the distribution of the real wealth of the world, across the world, and for raising standards of living everywhere in the world. This world cannot remain at peace; this world cannot remain free, as we call free, if one-half of the world is underfed, underclothed, underhoused and, indeed, underprivileged in any respect.

We believe that. We have tried to bring this truth before the House of Commons and the country again and again. I believe it is because nations have failed throughout the years to meet this fundamental requirement of human existence that we are faced with the serious challenge of soviet communism all over the world today. We know that the acceptance of such communism by depressed peoples involves a surrender of something that we consider to be very precious indeed, freedom of speech, freedom of thought and freedom of worship, which are the very fundamentals of the kind of democracy in which we believe. We may discuss plans for military rearmament, and unfortunately we must; we may set aside vast appropriations for the building up of war supplies, for the making of atomic bombs and all the rest of it. But we shall not have met the challenge of totalitarian communist or fascist propaganda until we have improved the standards of life for millions of people all over the world. Under present circumstances and because of our past failures we have to play our part—and I am not complaining about it—among the democratic nations of the world in preparing to defend our free institutions and our democratic way of life if they are threatened by military aggression. But if we fail to play our part in the removal of poverty, misery and

want in our own country and elsewhere we shall lose the battle in which we are now engaged. I think this is the fundamental position from which we should view Canada's international relations.

A great deal of discussion has taken place in the house today and on Friday last about the recognition of China. The article by Professor Lauterpacht, K.C., F.B.A., professor of international law at the university of Cambridge, which was published in the London *Times*, has been referred to on several occasions. What did he point out therein? He pointed out that the problem of recognition of governments is one of the crucial issues of international law. I think we all agree with that. He said that to decline to recognize a government is to withhold from the community which it governs most of the advantages of international law. It involves, among other things, a refusal to acknowledge the validity of its legislative and judicial acts; and the denial to it and its organs of the ordinary jurisdictional immunities. On the other side it involves the government refusing recognition in a series of difficulties since it is unable to use the ordinary international methods of protecting its own nationals and interests in territory controlled by the governments which it refuses to recognize.

And if I may quote directly, he says this:

> There are some who maintain that, all this notwithstanding, recognition is a purely discretionary act of policy—an act of grace which may be withheld at pleasure and may legitimately be used as a weapon of political intervention or of economic pressure. There is no support for any such view in the bulk of the practice of this—

That is, the United Kingdom.

> —and other countries. On the contrary, overwhelming authority points to the fact that, provided that the conditions presented by international law are fulfilled, there is a legal duty to recognize.

Then he goes on to discuss what are those fundamental conditions of international law. First of all he says that recognition is of course a declaration of an existing fact. Once a revolutionary government enjoys the obedience of the mass of the population and is in effective control of the bulk of the territory, it is entitled to recognition. Then he adds, and again I quote directly:

> Its revolutionary origin or the method of the revolutionary change is irrelevant.

Then, second, he says that recognition of a revolutionary government is prohibited so long as the lawful government has a reasonable prospect of reasserting its authority; and I do not think anyone will contend that at the present moment the former lawful or legal government of China has any possibility of regaining control over its territory. Then he goes on to say, thirdly:

> The government, by consent of the governed, is not a condition, though it was insisted upon in the early part of the present century. It was abandoned after the first world war and is not at present part of the law.

He also stated there was an impression that a lawful government holding out in one isolated fortress—perhaps I should have said this earlier—is entitled to continued recognition *de jure;* and went on to say that to hold this view was to strain to the breaking point an otherwise unimpeachable rule. Then he said that it was a question of fact, to be ascertained in good faith, whether the authority of the lawful government has become purely nominal; but it was the fourth point to which the leader of the opposition (Mr. Drew) drew attention on Friday evening, and I quote from page 460 of *Hansard* where he is reported as saying:

> I should like to read that fourth point again.
>
> "There is finally the question of the willingness to fulfil international obligations and of assurances to be given to that effect by the government recognition of which is under consideration."
>
> Even if the first three conditions were met, a question might well be asked as to whether the fourth condition can be met at the present time by the Mao regime in China.

Well, what does Professor Lauterpacht say? At the risk of reading a little more than I usually do I am going to quote the paragraph which refers to this fourth point. I think it is important, particularly since that point was under discussion, and since the other day I suggested that the time had come when we should recognize the new government of China. He says:

> There is, finally, the question of the willingness to fulfil international obligations and of assurances to be given to that effect by the government recognition of which is under consideration.

He goes on to say, and this is important:

> That particular test of recognition has been often resorted to, and has recently loomed large in the public discussion, including leading articles in *The Times*. But it is extremely doubtful whether it is a sound test and whether it forms part of international law. It was absent from British practice in the nineteenth century. It is a condition of recognition which has often been abused, in relation to weak governments, for the purpose of extracting unilateral advantages and concessions. In relation to the government of a large state its futility is obvious, for it is a clear rule of international law that a newly-recognized government is bound by the obligations of its predecessor and of international law generally.
>
> No special assurances are required. Neither can it be expected that the government of a great state will be induced to give them unless on a basis of mutuality and equality. The value of any such assurance, if not accompanied by good will, is insignificant. The proper course is to assume that the government of a sovereign state will fulfil its obligations in good faith. Failing that, it is open to other states to adopt such methods of persuasion as circumstances and international law permit.

There I think we have an explanation of the fourth point, to which reference has been made. Then he goes on to say something else I should like to quote:

The distinction must be asserted between recognizing a government and entering into diplomatic relations with it. No state is legally obliged to enter into and maintain diplomatic relations with a state or government which it recognizes. On the other hand, it cannot enter into full and normal diplomatic relations with a state or government which it does not recognize.

Recognition of a new governmental authority, accompanied as it must be by automatic withdrawal of recognition from its predecessor, necessitates an invidious decision which, in relation to old friends, may be distasteful and not free from anxiety. But decisions of this nature are unavoidable. They do not become easier by dint of being postponed.

Then he adds this:

It may be of importance, in the case now before His Majesty's government—

That is, recognition of China.

—to reassure public opinion that the decision at which they have arrived is not arbitrary or intended to minister to what may be a transient advantage, but that it is in accordance with principle and with the practice of enlightened nations, including that of our closest friend and ally.

The reference there is to something he said a little earlier in the same article in regard to the historical background of the United States with respect to the recognition of revolutionary governments. Apparently the London *Times* agreed with this view that China should be recognized because of the conditions laid down in this article, and because of the necessity. Indeed I have here a report which appeared in our local newspapers as an Associated Press dispatch dated London, January 7, the day after the British government granted recognition to the new Chinese government. These are the main points in the dispatch: The British press, in a chorus of approval, greeted Britain's recognition of the new government of China. All papers, including Labour and Conservative, gave approval. Lord Beaverbrook's *Daily Express* termed the recognition wise. The London *Times* said Britain was accepting a communist regime in China as she already had done in Russia, but would resist any attempt by the Chinese government to enforce communism on other countries.

Thus we see that in a country with long experience in international matters and the way these things are done in the field of international affairs, all the newspapers from the London *Times* through to the *Daily Herald*, the Labour paper, welcomed recognition and approved of it. Consequently I say that under international law, and in the interests of their own nationals, this recognition was granted.

This afternoon the leader of the opposition (Mr. Drew) referred to the article by Mr. Anthony Eden which appeared some ten or twelve days after recognition had been granted. But note this, for it is on the record: If one reads Mr. Eden's article, one finds that what he was criticizing was not the recognition of China as such, but the timing of that recognition. He was deploring the fact that all the commonwealth nations, indeed all the nations with interests in the Pacific, did not act together. As the leader of the opposition indicated when he read the article, and as the Secretary of State for External Affairs pointed out in his speech, Mr. Eden stated that recognition was inescapable. It had to come. The only criticism he made was of the timing of that recognition. Mr. Eden thought a common policy should have been agreed upon. I know that for a long time that had been the position of the British Conservative party. They had always thought that there should be an imperial foreign policy, which would be controlled from one central point. None of the commonwealth nations, at least in the last 25 or 30 years, have felt inclined to co-operate in sending representatives to one point, or in the setting up of any organization, which would bring about a common foreign policy of this description.

I am certain of this, that the people of Canada would not have wanted to have this parliament approve of the establishment of a super-cabinet to deal with foreign policy on an imperial basis. I feel that this is a relic of the old plea for an imperial foreign policy, an idea which, fortunately or unfortunately according to one's viewpoint, was discarded long ago. As a matter of fact, even if we liked the idea, it is not possible to put it into effect now, because our economic and geographical circumstances are so different. A policy that is suitable for the United Kingdom would not necessarily be suitable for Canada. Certainly, as we have seen, it would not be acceptable to the new republics of the commonwealth, India and Pakistan. In my opinion it is far better to have the type of commonwealth association we have, an association of free peoples and free governments, than it is to have something rigid, because in time it would break, and we would find ourselves with no real association at all.

Mr. Macdonnell (Greenwood): Would the hon. member permit a question?

Mr. Coldwell: Yes.

Mr. Macdonnell (Greenwood): Am I not right in understanding that what Mr. Eden meant when he spoke about common action and agreed strategy, was not merely a reference to the nations of the commonwealth but would include, among others, the United States?

Mr. Coldwell: Yes, but what I am saying is that probably it is again a reflection of the old concept of the British Conservative party. May I just say this, and I was going to add it because I have a reminder in my notes, that the proposal he made in January was wider than agreement among the commonwealth

countries. I intended to point out that anyone who has been following the situation in the United States, the discussions in congress and Mr. Acheson's speeches over the last few months, is bound to come to the conclusion that the United States has no settled policy in relation to Far Eastern affairs. At one time it seemed as though they were going to send aid to the Chiang government in Formosa, in conformity with General MacArthur's advice. At another time, it was quite obvious that plan had been abandoned.

On January 12, I think it was, Mr. Acheson made a speech in Washington, in which he seemed to imply that the United States had to wait for the situation to become clear, and he emphasized the need of the people in southeastern Asia for economic aid in order to meet the threat of communism. Consequently, it only reinforces the point I was making that, however desirable a common policy might be in relation to Asia and the other external matters affecting all our countries, under the present circumstances it is quite impossible to agree upon a single policy. May I add that that is largely due to the uncertainty of United States policy, and the situation in the United States congress.

When we are discussing these matters, I believe we have to remember two factors mentioned by Mr. Acheson. In Asia, there is a revulsion against the poverty, misery and want under which the people have suffered for so long. Second, there is a revulsion also against foreign control. In so many countries of southeastern Asia, foreign control has been overthrown. It may be said that China has exchanged one sort of foreign control for another. Bear this in mind, however, that the control exercised over China by the Soviet union is a control of ideas rather than a control of its economic life, though indeed that may follow. The very fact that India was so anxious to recognize the new government of China was, in my opinion, an indication that India believed, and still believes, that the way to checkmate this attempted control by Russia is not to build a fence around China and refuse to have anything to do with the teeming millions in that country. What is true in the economic sense in southeastern Asia is true of Europe and the remainder of the world. At the moment communism in Europe is being contained because of the Marshall plan and the progress that has been made in economic and social relationships in the United Kingdom.

I tremble to think what would happen if there were a breakdown of the British economy, and that were followed by great social difficulties in that country. It would destroy the hope of the whole of the continent of Europe that progress can be made under democratic institutions and by democratic regimes. The danger in Europe, of course, is still the danger of economic collapse. May I say that such a collapse would inevitably follow the failure of Britain to recover, and to make the kind of progress she has been making over the last few years. We must always remember that Russian foreign policy, indeed all her policy, is based upon the assumption that sooner or later the economies of the non-communist countries will collapse, and out of that chaos communism will spread, ultimately controlling the whole world. It is because of this that, from time to time, we emphasize the need for economic aid, rather than vast military expenditures. I do caution, however, that I realize that, as long as we are threatened and are part of an alliance, which we all agree was absolutely necessary, the Atlantic alliance, we have to bear our part in the preparations that must be made for general defence.

There has been a great deal of talk about China, but one of the sets of conditions, if I may put it that way, which worry me a good deal, is the set of conditions to be found in Western Germany today. There are two million unemployed in Western Germany at the moment, and on the other side of the iron curtain there is a communist government sending out communist propaganda. We do not know exactly what is going on behind that iron curtain. But there is unemployment in Western Germany. In spite of the fact that the general output and the general exports of the rest of western Europe have increased and are something over what they were in 1939, German production is still low, about seventy-six per cent of her pre-war production. The goods that were expected to have been exported in order to gain the raw materials and food supplies that Western Germany needs are being used within Western Germany.

As a matter of fact for several years the United States particularly urged the return to a free market, to the elimination of rationing and of controls. Well Germany returned to that under the new government, and today the shop windows are full of goods that should be exported. The people of Germany who have the money can buy more, and we are told can live better than the people across the North sea in Britain where there is rationing, where there is control and where every attempt has been made to bring up the level of exports in order to obtain supplies of goods from abroad.

In Germany they have discontinued rationing; they have discontinued controls; they have gone back to the free market. The result

is that German exports have failed, and two million are unemployed. People with money are eating and living well, while a large percentage of the population is in misery. There you have the seedbed for some form of totalitarianism. Consequently you see rising in Germany again the old nazi party under a new form. You see too an increase in the influence of communism. What is true in Western Germany is true in Italy, and to some degree also in France. Therefore I say we have to see to it that we give close attention to economic relationships, and assist those countries to build up their economies so that they can resist the spread of soviet communist or fascist control in those countries. I firmly believe that Canada's whole safety and whole defence is linked of course with the improvement in conditions in Asia, in Europe and indeed across the world.

I was going to say something once again about atomic power and the hydrogen bomb, that fearful weapon with which the world is threatened at the present time; but I do not think I will do so this afternoon, because another opportunity will arise in the near future. What I did want to do today was to try to put in focus in my own mind, and, if I could, place in focus before the house the international situation as I see it, and the desirability for the recognition of China as I see and understand it. We cannot forget of course that the Chinese people were on our side during the great struggle that ended in 1945. When we look back over the last hundred and ten years or so, since the British obtained possession of Hong Kong, and other nations obtained great concessions on the mainland of China, we cannot forget the record that we have. It is not a record that we can look back on with satisfaction. We have to try to obliterate the black spots in that record and do everything we can to help the people of China and the people of the other nations of southeast Asia, of India, of Pakistan, of Indonesia, of Indo-China and the other countries of Asia, to build up their economies, to improve their standards of living, and to aid them in every way we can, giving them as far as we are able assistance in the way of food and other supplies that they need for their economic life. If we can do that we shall have done far more to defend ourselves from aggression, to defend the world from the totalitarian regimes, than we can do by building up armies, navies and air forces to defend our territorial integrity.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, we in this group support the minister's resolution to refer the estimates of his department to the committee on external affairs. That practice has been followed for some years past with considerable success.

[Mr. Coldwell.]

Before commencing what I was going to say I should like to refer to the quotation from Anthony Eden that was put on the record by the leader of the opposition (Mr. Drew). He noted that Eden had said that the great need of southeastern Asia was mainly economic. Now, everyone at all well-informed on earth knows that. Why it should be such an important thing for him to say it I cannot quite understand. How to give the needy help is the inescapable question. It is a question that must have an unequivocal answer, an answer conveying a practicable method, adequate and realistic. Such an answer, Mr. Speaker, has not been even hinted at by any of the political figures authorized to speak for any one of the western nations from the United States down. This conspicuous fact must fill every less fortunate nation and people with a feeling akin to dismay, even to despair.

I do not quite see, Mr. Speaker, why it is that responsible officials, from the Secretary of State for External Affairs, all through the Canadian government, and similar figures in the other governments, do not realize this. What is the matter with them? Are they afraid? Do they not dare come out and say what they think ought to be done and how it should be done? Are they restrained by some outside force from facing realities as they should be faced?

If I were in another nation, say France, I would find this indisposition to be frank, not facing the future and speaking about events as they are, as one of the great causes of the troubles with which we are faced.

Let us examine our national neighbourhood. We are discussing external affairs. What sort of people are we living among internationally? May we consider somewhat realistically some of the important neighbours whose actions must modify our own? This is the question to which I should like to devote what time I am permitted this afternoon in the house. First, let us look at the United States. "America's Needs and Resources," a very important and authentic publication of 1947, contains at page 675 a statement to this effect, that the capacity of United States agriculture will be more than equal to any conceivable requirement.

First may I say this concerning the United States. One impressive fact about the United States to me as just an ordinary Canadian and a member of parliament, as the United States occupies her place in the world's economy, is the tremendous productive potential or capacity of that country. I said the other night that I thought the Prime Minister (Mr. St. Laurent) went down to the United States and was impudent in

his speech. Maybe I was a little too severe in what I said, but here are some of the considerations which led me to make that statement. It was impulsive; it was not planned, but it was based upon some facts which I shall now give.

In 1935 in the United States they were capable of producing enough goods and services, $135 billion worth of them, to give every family in that country $4,400 worth of goods and services a year. That was possible without in the slightest degree adding to their equipment. Those who desire to find authentication for that statement will find it in a first-class publication in our library called "The Chart of Plenty" by Dr. Harold Loeb, an unchallengeable authority. This book was published in 1936.

According to President Truman, in the United States in 1954 it is going to be physically possible for them to give to each family $5,000 worth of goods and services a year. That is not in money, but in goods and services. This condition is discussed in the Ottawa *Citizen* of January 6, 1950, page one.

This is No. 1: What conceivable use has a nation like that for some of our goods, except a few such as asbestos and other things they may need, to supplement their own tremendous resources and productive power?

Secondly, the United States is a great industrial nation, as well as a great primary producing nation. One of the major blunders, in my judgment, in the thinking of men around me is that people somehow or other, both in the United States and outside it, have the idea that the United States is going to be able to import goods, just as Great Britain was able to import goods when she was the great creditor nation of the world. There is as much difference between Great Britain, almost a have-not nation, and the United States which is almost completely self-sufficient, and becoming more so every day she exists, as there is between the poles.

Until we can think clearly enough to adjust this colossal error in our thinking, we shall never be able to approach a solution of the problem which confronts us, as that problem arises out of the facts concerning the United States.

Thirdly, as a consequence the United States has an enormous urge towards exporting.

Fourth, she has a strong resistance against importing. In a publication called "The Measure of a Nation" we find at page 3 that by 1960 the United States will be able to turn out six times as much per man-hour of work as she was able to turn out in 1850. At page 90 of this book we are told that in 1944 the United States harvested 10 per cent more acres and produced 20 per cent more crops and livestock products than she did in 1939, but with 17 per cent fewer workers.

Here is another source of serious error on the part of men who think about the United States. She is in an age of abundance in which she is likely to have unemployment, a shortage of purchasing power and a lack of home markets, which helps to explain her general attitude. It has been estimated that at the present time there are upwards of $4 billion worth of surplus agricultural products now in the hands of the United States government.

Fifth, the United States found it necessary to lend abroad through private investors on an extensive scale right after world war I. The productive capacity of that country has vastly increased since that time, and her self-sufficiency has been enhanced. She is going to be forced to engage in a policy of foreign lending, if she is going to be able to sell her goods abroad, on a far wider scale than that which she used after world war I.

May I read two short excerpts from an excellent booklet to which I have referred, and to which other members of my group have referred but to which, strangely enough, no one from any other group has ever referred, although from time to time they have been told about it. This is a publication called "The United States in the World Economy" which was issued as a United States government document in 1943. It bears directly upon post-war conditions. At page 5 we find this:

> During the four years from 1926 through 1929 the amount of dollars supplied ranged between $7,300 million and $7,500 million, and foreign incomes and spending habits and the international debt structure were fairly well adjusted to this level.

That indicates the extent to which the United States had found it necessary to go in her foreign lending by 1926. Then she discontinued that foreign lending policy and thereby brought on the calamitous depression. This quotation on the same page indicates the cause of the great depression:

> The abrupt fall in the dollar supply by some $5 billion, or 68 per cent, over the short space of three years, necessitated vast changes in the foreign use of dollars and in the economic systems from which the demand arose.

May I pause to comment at that point. The United States by withdrawing those $5 billion from the European countries and from other countries forced them to put up tariff barriers of all sorts to protect their economies, forced them for example to begin to raise wheat, no matter what it cost—as happened in France and Italy. Then the important United States officials had the incredible gall to blame those

tariff restrictions in their campaign of 1945, at Bretton Woods conference and in other situations—to blame those tariff restrictions on a desire on the part of western Europeans to fight against the United States economy.

If there ever was fabricated and propagated a more colossal falsehood than that, I must say it has never come to my attention. Yet hon. members have risen in this House of Commons consistently and participated in that fantastic falsehood.

No. 6: The need to lend abroad is even greater now; but there is this difficulty, that today such loans cost the nation money. The United States, in order to advance those loans nationally, must either increase her tax structure or increase her debt, something which the people of the United States are not going to be disposed to do, and which they are going to resist with more and more determination as the days go by.

So that the device of foreign lending for the United States as a means of mitigating the discomfort she will feel because of her need to export is going to become decreasingly available to the United States government. That is a solemn fact, and cannot be disregarded by anyone who is careful in his estimate of the situation.

The question arises: So what? That is what we ought to be talking about in this House of Commons, instead of a lot of foolish froth about recognizing this, that and the other nation, fighting communism and all the rest of it, which, when all taken together, does not amount to a teaspoon of concentrate. That is the sum total of what we have listened to in two debates; it is just so much froth. It has no meaning at all, having regard to the real problem which faces the nation.

What are the trends in the United States? Does it look as though she is going to change her ways? In the first place she has become more self-sufficient through synthetic industries. To all people who come in contact with this statement, I recommend a fine article in the *Reader's Digest* of December, 1949. This article is called "No wonder the world is short of dollars" and is written by C. Lester Walker. He names a large number of essential commodities which the United States at one time was obliged to import, and which she no longer needs to import because she has discovered synthetic processes by the use of which she can produce these various commodities in her own land.

Cryolite is the first one named; it is used in the manufacture of aluminum. The United States imported from Greenland 11,000 tons in 1939; but the United States developed synthetic cryolite in world war II, and will manufacture 27,000 tons in 1950. The United States is therefore going to have cryolite to sell abroad. Greenland, a colony of Denmark, will send a mere few thousand pounds. What does that mean? That means that Denmark and Greenland at least will be denied access to United States dollars to the extent of the cryolite not exported.

Then as to rubber, which she used to buy from such countries as Malaya, for example, from which Canada used to buy hers mainly, I am informed. In 1940 the United States imported 1·8 billion pounds of rubber. In 1944 United States plants were turning out 2 billion pounds of synthetic rubber. Where did the United States dollars go for those countries that used to supply that rubber? They evaporated. Can they ever be brought back? Of course they cannot. Does anyone pretend that the United States would be so egregiously stupid as to begin to buy her rubber abroad and to discontinue her manufacture of synthetic rubber? Do you think that we would do that? Would we dismantle the Sarnia rubber plant? Not a member of this house would vote for such nonsensical behaviour. Well, so many United States dollars are gone!

Then as to mica. In 1939 the United States imported from India 95 per cent of what she used. But the United States armies captured from the Germans the process for making synthetic mica; and so good-bye to the mica source of United States dollars and India's share therein, with all the possibilities of Britain's trading goods to India for United States dollars which she got for India mica, thus rendering moneys convertible.

Then as to camphor. Before 1933 the United States imported camphor from Formosa. Since 1933 the United States has come to produce more camphor than she can use, so she has camphor for sale on the world market. Probably she will send it in to Formosa and compete with Formosa's camphor. Who knows?

Those four commodities are merely examples of what has been going on in the United States economy during the last thirty years. At page 36 of the *Reader's Digest* Mr. Walker states:

> That country has now developed an almost fantastic economic self-sufficiency. No other people in history has anywhere near equalled it. The United States, always rich in many basic materials like coal and iron, has become almost literally the Colossus of Everything.

May I just say this, Mr. Speaker. As we sit here in the House of Commons, if the people of the country could just look down now upon our Conservative friends, the very

men who should be well informed on this matter, and see how few of them are here, and how almost none of them are paying any attention to this vital point, I think they would be impressed.

Mr. Pouliot: The hon. member's speech is most interesting.

Mr. Blackmore: It faces actual facts; it has meat; it contains the things that must be met, and that is all.

Optical glass used to come from England, France and Germany thirty-five years ago. By world war II the United States used $12,500,000 worth annually. She bought abroad only $2 million worth. That shows how fast she has grown with respect to optical glass. Now the United States produces any and all types, so good-bye to another source of United States dollars for England, France and Germany.

Then as to cigarette papers; the United States used to get them from France. She used to buy $10 million worth of them annually. Now she produces all she needs from flax fibre, and good-bye to some more United States dollars for France.

If I may, I should like to stop and say just a word or two to my Conservative friends. I hope we do not hear any more of them talk aimlessly about convertibility until they realize that convertibility is absolutely impossible unless goods are traded back and forward so that convertibility would be justified; and that is just exactly the situation that does not exist in the world. There is not the necessary interchange of goods and there cannot be. When we face these things, we shall stop talking in this house about vapour.

Silk used to be obtained from Japan. The United States used to get 80 million to 90 million pounds annually. The United States now produces nylon, from coal, air and water of which she has a superabundance, to the extent of half a billion dollars worth a year.

The United States used to buy soya beans from Manchuria; now she produces 200 million bushels a year. The United States used to buy figs from Turkey and Greece. Now she produces over 60 million pounds of figs annually.

Mr. Pouliot: They are pretty smart, those Americans.

Mr. Blackmore: That is right. Not only are they smart but they have the resources; and above all they have sense enough to protect their own industries so that their industries can develop. They do not do as we did with our celery producers this year. We had celery producers in Ontario who produced a great deal of celery and who went to the expense of putting it in cold storage. Then we brought in a great deal of celery from the United States, causing our producers to lose the whole thing. If you can imagine a finer example of just exactly how not to run a country, I should be glad to have you call me up and tell me about it; I am interested in monstrosities. But the United States had sense enough not to do that; hence she has grown.

The United States used to get their dates from North Africa and the Middle East. Now the United States produces more than 20 million pounds of them annually. She used to get chicle from Mexico and Guatemala. Now she produces it synthetically. She used to get tungsten from China and Bolivia; now she uses molybdenum in large measure. She used to get shellac from India. Now she makes shellac from synthetic resins or she displaces it by substances which she draws from corn gluten. She used to get jute from India. Now she makes burlap bags from tough, long-fibre spruce kraft paper.

There is an indefinite list of items in addition to those I have mentioned, including Christmas tree ornaments she used to get from Germany and Czechoslovakia, which she now produces. She used to get pig bristles for brushes from China. Now she uses nylon bristles. She used to get dried pyrethrum flowers, for use in insecticides, from Japan and Africa. Now she has synthetic, American-made chemicals. Indeed, economists estimate that the United States produces 94 per cent of its needs. Economists predict that the United States will soon be producing one-third of the world's goods, with only a small percentage of the world's population: it is something like one-sixteenth or thereabouts; I have forgotten the exact figure.

These are weighty facts. Will the United States import much in the future? In the article in the *Reader's Digest*, the writer is whistling in order to keep up his courage. Mr. Walker talks about the few things which the United States will have to import such as critical minerals for the military stockpile, bauxite for aluminum, platinum, tin, chromite, cobalt, manganese, a few foods like tea, coffee, and bananas, and French perfumes, laces, champagnes, and china. Then there will be the "invisible" imports which will result from shipping space in foreign vessels which the United States will hire—and she is getting rid of them as fast as she can—and dollars spent by United States tourists. All things being considered, I am afraid Mr. C. Lester Walker is rather optimistic when he finds some comfort in that aspect of the whole question. He presumes, too, that the United States is not going to make any more discoveries about how to make synthetic substances.

There is one important thing to bear in mind in considering this situation of the bringing in of these substances and raw materials from other nations. When other nations export their minerals such as aluminum they deplete their own resources. No nation can continue indefinitely to export its vital minerals and deplete its resources for coming generations. To what extent then can we balance our economy with the United States or other nations by sending to the United States these vital minerals which our own children are going to need? Furthermore, when a country exports its primary products, as we do when we export cattle or barley, what we actually do is to send raw materials with which the United States can manufacture goods and probably sell them back to us, making money in the process. Any nation that engages in the wholesale selling of primary products and the buying of manufactured products from abroad soon makes itself a hewer of wood and drawer of water. We have an example of that within Canada. The four western provinces have been obliged to send their raw materials, their primary products, to markets in the two central provinces to be manufactured, and what has happened? The four western provinces have become hewers of wood and drawers of water for the two central provinces of Canada, and that is exactly where they will stay until they industrialize.

Another aspect of the whole question is that not only do the United States tend to self-sufficiency but they tend to be determined first of all to distribute through foreign trade. President Roosevelt said in a great speech over the radio in October, 1944, that he intended to find jobs for sixty million Americans by trebling exports abroad. They are determined to send more and more exports abroad. What for? To bring money into the United States to buy their own goods. That is exactly the policy that Canada tries to follow, but it just does not work, and besides that it tends to destroy other nations.

In addition to that, the United States people, just the same as the Canadian people, have a fanatical attitude towards money. The Secretary of State for External Affairs and the leader of the opposition no doubt have the same attitude. They are completely fanatical about money. They will not even give consideration to the idea of creating money debt-free and using it for the benefit of their nation. They will not give a minute's thought to it, no matter how scientific it may be. The result is they abuse the minds of the people all over the country in this regard, and consequently there is apparently no hope in the world for the bringing in of that reform at least for a long time. The United States is not going to adopt the only method which she could adopt to solve her problem under the circumstances, namely, the distribution of purchasing power by social credit within the nation to buy the goods which she can produce, thus raising the standard of living of the whole nation and finding markets at home. She will not adopt that course. She shows no indication of intending to do so. There is not much hope of relief in that direction.

The United States also tends to a policy of non-discrimination, which means unconditionally the most-favoured-nation policy of the United States which was introduced in 1922, as a result of the application of which she forced world war II, and particularly forced the Japanese into war. That statement can be completely documented, and before anyone questions it I suggest that he had better write to me and get the documentation, because it is on record. The unconditional most-favoured-nation clause in the hands of the United States has caused more trouble in the world in the last thirty years than any other one thing that you can name, and she is not giving it up. Then we have our Minister of Finance (Mr. Abbott) coming into the House of Commons and telling us that he believes in non-discrimination which just renders it utterly impossible for have-not nations and weaker nations to live.

For example, let us see how it worked out in Great Britain. She came to the United States to borrow money after the close of world war II because they cut her right off lend-lease, and the United States in the course of the years during which Great Britain was spending that loan forced Britain to buy a lot of useless Yankee books instead of important things like the cotton that Great Britain wanted to buy. They forced the British people to buy a lot of tobacco from the United States when they could have just as well purchased their tobacco from Rhodesia and paid for it in their own goods. That is non-discrimination running wild. That is exactly what is in the minds of the United States officials. It means a lot to us in our external policy.

Furthermore, the United States tends towards an expansionist policy. They are not quite satisfied with the great big share of the world they have. They want to get still more and more, and monopolize markets in various parts of the world to the exclusion of other nations which absolutely must trade in order to get the things they need. What does that mean? There was a good example of it just recently in the newspapers. We are told that just recently France has had to adopt protective measures to protect her wine

against Yankee Coca Cola. That shows how the United States is actuated by an expansionist policy in this matter.

Another very important consideration is the fact that the United States is unlikely to change this policy and to become informed. One of the difficulties in the way of a change of heart in the United States is the fact that there are a lot of politicians down there as there are in Canada who, when they go out on the hustings, are not concerned at all about telling people the truth. All they are concerned about is to get back into office. Therefore they misrepresent, distort and suppress the truth right and left, and the result is that people become more and more confused. All you have to do is listen to the speakers in a United States election campaign, and the nonsense they talk, in order to be impressed with that solemn fact.

In addition, the United States naturally fears unemployment, debt, taxation, insecurity of supply, shortage of purchasing power and a consequent lack of markets within her own borders, and poverty among her people, which obtains there in a very large degree. These considerations naturally make the United States tend to hold to the policies which she has embraced up to the present time.

United States reactions and attitudes are based upon sound reasons arising from solid actualities facing her under her present financial and capitalistic system. If she were to change her financial system, if she were to adopt Social Credit, she would realize that she could distribute her goods within her own country without adding to her debt, and she would change her whole impact on the world.

Having said so much about our great neighbour, let us now take a glance at some of the other nations, and especially the problems of the have-not nations. Let us take Japan as an example. I was a little unhappy when the Secretary of State for External Affairs told us, as I recall it, that trade unions had been organized in Japan, and they had done various other things that were going to force up the cost of Japanese goods so that the Japanese will not be able to compete successfully with our goods. I do not want them to compete with our goods, but will someone who thinks he knows tell us how in the world the Japanese are going to be able to sell enough of their goods to secure the things their country needs if their prices are forced up automatically in that fashion? There are seventy-seven million people in Japan in a constricted area and with very meagre resources. How are they going to live? If we want a real problem in external affairs let us just work on that one for a while. Japan tried to reduce her costs by various means, and according to information I have, as an example of what she did, in 1935 she built a bicycle that Canada could have purchased from Japan for $5.75 when Canadians were producing and selling a similar bicycle for $50. That is what the Japanese were prepared to do in order to live in this world and get the goods they needed. I think that if we had been in the position the Japanese were in we would have been thinking of something like Pearl Harbor too, don't you?

Now I turn to France, another type of nation, which may be said to be typical of Spain, Germany, Holland and a number of other countries. What happened to France? Well, according to the *Christian Science Monitor* of February 20, 1950, the French are quite uncertain in regard to their industry. In 1949 they produced 26½ per cent more steel than in 1948, an output of 9,000,000 tons, while also producing 6,000,000 tons more of coal in 1949 than in 1948. But they produced that coal with 187,000 workers, whereas in 1948 they required 217,000. What does that mean? It means that great numbers of the people who produced coal were turned out of work and consequently had no buying power in 1949. What were they to do about those people? If you are looking for the causes of communism, there is one. We think that is all right. Well, it may be all right, but it causes a great deal of trouble. France also increased its hydroelectric production far beyond that of 1938.

Now it seems that French industrialists are facing the necessity of competing in foreign markets; and with whom? With the United States, for example; with Great Britain, for example, in markets where already there is more of their kinds of goods than are needed. A large section of the French people have only enough money to pay for rent and food. France faces the danger of overproduction. What are they to do about it? They are faced with the same problem the United States is faced with.

According to the *Christian Science Monitor* of February 27, 1950, the Marshall plan is imperilled by the flow of foreign goods to the United States. Congressmen are now objecting to foreign goods, and are insisting that countries getting Marshall aid be required to buy United States goods. Senator Tom Connally is even said to be urging that European countries buy United States oil with Marshall plan money instead of Near East oil. Henry Cabot Lodge, junior, is asking why Britain should be permitted to send certain textiles to the United States when many New England textile mills are likely to be closed, with resulting unemployment. According to the same newspaper a leading British electrical

manufacturer outbid his nearest United States competitor by $250,000 on equipment for a Seattle power plant, yet the British bid was rejected. Still we have men, including our Minister of Finance prattling away about how Britain should lower her costs and prices in order to compete in the United States market!

Well, what does it amount to? In the same newspaper there was a story about the United Nations building being constructed in New York city at a cost of $65 million, which was appropriated by that organization. Sixty per cent of that money comes from overseas; and congress, feeling that the necessary goods should be permitted to enter the United States because of that fact, waived all import duties in connection with that building. But what has happened? Contracts to the value of $42 million have been let already, and not a cent is going to anyone outside the United States. Is that the way the United States is going to co-operate? A committee of experts recommended a British synthetic insulating material for the building. That recommendation was rejected because of fear that the New York unions would refuse to handle it. That just goes to show how deep-seated these problems are. When bids were asked for facing material the British Bath and Portland Stone Company had the low bid, but Vermont marble was accepted, apparently for similar reasons. Some contracts have been awarded even without bids. The construction of the United Nations building is in the hands of a New York firm, Harrison and Abramovitz. Foreign bidders are still making the lowest bids, but they are getting no contracts. Let us face those facts in relation to the possibility of getting the United States to change her policy toward us.

Now I come to the question of communism, but I do not think I will say anything about it at the present time. We need only see what Russia is doing with the communist government in China to realize how the communists are setting about to win the sympathy and confidence of the peoples of the world; whether rightly or wrongly, I do not know. However, there is the cause; and if you want to fight communism you can fight it there.

Now, what needs to be done? I say there are three things which must be done if we are to solve our problems. In the first place we must have a scientific distribution system here at home, that is in Canada and the United States, corresponding to the social credit system. Then we must have a real, scientific distribution system abroad which would involve the exchange of ICCH goods to be paid for with debt-free money, so it would not involve an increase in the taxation or debt of the contributing nation. We simply must have debt-free money created if we are to do these things.

The next thing we must work for is national self-sufficiency. I know many people in this house have held out against that idea; but what did we do during the war? We produced our own rubber. Well, if we have right good judgment, I say that in the next war we will produce our own sugar and other commodities, much as the United States has done.

That country is going to be nationally self-sufficient, and is forcing that policy upon us. She has already forced it upon Britain, as the hon. member for Selkirk (Mr. Bryce) showed last night.

Then Canada must stimulate production, and we must have the optimum internal distribution on principles similar to those of social credit.

We must be ready to bear our full share of responsibility for assisting the less fortunate peoples, and must finance our contributions not with tax money or borrowed money but under a system which in due time will eliminate debt and taxation. We simply must adopt a realistic financial system, making financially possible that which is physically possible.

That, Mr. Speaker, is my contribution to this discussion of the vexed problems of external affairs.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I have listened with great attention to the remarks of the hon. member for Lethbridge (Mr. Blackmore), and I am in some embarrassment as to his conclusion. In the first place he read a lengthy article from the *Reader's Digest* to the effect that the United States had become self-supporting in many fields in which they were not so before the war. His conclusion, in that part of his speech, was that the policy of the United States was wrong; and it was my intention to send copies of his speech to President Truman and Mr. Dean Acheson.

Mr. Blackmore: You could not do anything better. I will supply the copies.

Mr. Pouliot: Now I shall send only that part of the hon. gentleman's speech, because if I sent his whole speech they would be just as embarrassed as I am; they would wonder at his other conclusion, that Canada also should be self-supporting. In the first place he said the United States made the blunder of becoming self-supporting.

Mr. Blackmore: No, I did not say that.

Mr. Pouliot: That was the inference I took.

Mr. Blackmore: Oh, no.

Mr. Pouliot: Their blunder was in discouraging international trade by producing at

home some goods they previously got from other countries. That is what the hon. gentleman said.

Mr. Blackmore: I am sure the hon. gentleman does not wish to misrepresent me. I was not criticizing the United States for becoming self-sufficient; I was simply setting out the fact that this is what has happened. That is the bare fact facing us.

Mr. Pouliot: The hon. gentleman looked very indignant when he made those statements, from which I took it that he was dissatisfied with that policy. Afterwards, he recommended that Canada should be self-supporting. He was right in the second conclusion, but it prevents me from sending his speech to Mr. Truman and Mr. Acheson.

Mr. Blackmore: I shall have to do it myself.

Mr. Pouliot: Yes, the hon. gentleman will put them to some embarrassment.

Mr. Blackmore: They need embarrassing.

Mr. Pouliot: They will not know what the hon. member's conclusion was. I want him to tell us whether he believes it is a good policy for the United States to be self-supporting, and whether it would be a good policy for Canada to be self-supporting.

Mr. Blackmore: Yes, I believe in both of those.

Mr. Pouliot: I am very glad to hear that. Then, I shall send the speech, and I shall refer to the page on which this correction has been made.

Mr. Blackmore: It needs no correction. It is all there when you read it.

Mr. Pouliot: It is all there, but I did not know what my hon. friend meant.

Mr. Blackmore: The hon. member must have gone out of the chamber when I said that.

Mr. Pouliot: I was here all the time, and I listened with great attention. The hon. member has quite a voice, and I missed nothing of what he said. It was because of that that I was puzzled by what he said. It might have been the opinion of the Digest and not his own. His opinion, therefore, must be that Canada should be self-supporting, and, to a large extent, Canada is now self-supporting. Industry has made great progress. In passing through Toronto yesterday, I saw the new industries that have grown up on the west side of Toronto. I suggest the hon. gentleman should see them, and ascertain what happened in Toronto as well as many other places in Canada.

Mr. Blackmore: I am happy to hear it.

Mr. Pouliot: I am glad the hon. member is happy to hear that. What has happened is due, in large part, to the encouragement this government has given business. It has tried to see that Canadian business prospered. The policy of the government in that field is sound.

Mr. Blackmore: That is right.

Mr. Pouliot: I am glad to hear the hon. gentleman say so, and I congratulate him on being so broadminded, if not always logical.

There is one thing for which I want to praise the hon. gentleman, and that is for citing facts. I have no objection to the citation of facts. We must base our arguments on facts. I cannot understand, however, the citation of other people's opinions. An opinion is merely an opinion, whether it be that of a professor with a strange name who is teaching international law at Columbia or Mr. Eden. Perhaps the hon. member for Lethbridge (Mr. Blackmore) knows that the first and most important author on international law, I do not mean private international law but public international law, was an old man who died a long time ago named Grotius. He published a book in Paris in 1625 about the right of war and peace. It was entitled "De Jure Belli et Pacis".

Mr. Low: What does it mean?

Mr. Pouliot: It means, the right of war and peace. At the time, the French language was the recognized international language. This book was also called, "Les Droits des Gens",—the rights of the peoples. I have been told it is an interesting book, but I have never read it. I know that all the treatises and textbooks that have been published on international law since that time were merely explanations and commentaries and the fundamentals were the same as those contained in that book. If there are new principles of international law, therefore, and my hon. friend knows that there are, they must come from agreements amongst nations. They are based on the fundamentals established by Grotius more than three centuries ago.

I am not ready to agree with the Secretary of State for External Affairs (Mr. Pearson), when he says that the nations are not bound by what is said in the United Nations assembly, or in the security council. I was surprised when some hon. gentlemen applauded that statement. Naturally, all that is said in those meetings is subject to approval by the various parliaments. According to any strict interpretation, these statements may not be binding, but on the other hand they enunciate principles of international law. We will find most of those principles already enunciated by Grotius, who is the acknowledged authority on the matter.

Alberta Natural Gas Company

Turning again to what I said before, the member for Lethbridge has been wiser than the leader of the opposition (Mr. Drew)—

Mr. Blackmore: I hope so.

Mr. Pouliot: —in that he has mentioned facts. The United States is producing more mica and more jute. Instead of importing rubber, they are making so much synthetic rubber. These are facts. The leader of the opposition gave us the opinion of Mr. Eden, delivered in a pre-election speech. What was that? Mr. Eden was just boosting his chances, and the chances of his party, in opposing the policy of the Attlee government which had just recognized China. It is worth little to quote the opinion of an expert, unless we know the circumstances in which that opinion was delivered.

Mr. Blackmore: That is right.

Mr. Pouliot: The circumstances are important. This was an important occasion for Mr. Eden, who probably wanted to again become the foreign secretary of the United Kingdom. His opinion was delivered during the election campaign, when he intended to censure the government for what it had done.

Now, there is an illustrious professor with a peculiar name who has been mentioned. His name is Lauterpacht. He may be a brilliant man, but he is not as great a man as Grotius.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, February 28, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, to incorporate Alberta Natural Gas Company.

Mr. A. L. Smith (Calgary West): Mr. Speaker, I heard some rather imposing sentences expressed, but having the floor I still think I should give further reasons for favouring one sentiment which was expressed rather than another, and which happened to come from close to me on my right-hand side.

When I adjourned the debate on this matter a week ago tonight I had discussed the uses which might be made of natural gas. In the interval something has happened, sir, which I feel compelled to bring to your attention. If the paper which I hold in my hand is to be believed I am now a very rich man.

[Mr. Pouliot.]

I hold in my hand the Calgary *Herald* of March 3, and I shall read from a dispatch from Edmonton. The first paragraph reads:

Arthur Wray (Ind. S.C.)—

I will explain that in a moment.

—Banff-Cochrane, started a hubbub in the legislature Thursday afternoon, when he quoted a "man in Calgary" as having told him $200,000 in bribes has been paid out by the Westcoast Transmission Company to pave the way for its franchise.

Reading the article further down I find that the names mentioned are those of my brother and myself. It says that my brother, who is the solicitor and counsel for the board in Alberta, which deals with the export of natural gas, had stopped this gentleman from answering questions before the board which was sitting, and which I shall discuss later. Then he went on to say that this fellow, C. E. Smith, was a brother of A. L. Smith who had conducted the filibuster against this particular bill in the House of Commons. I confess that this bad man is my brother. He is one of His Majesty's counsel, one of the ablest lawyers I know—and sir, that is a plug for my firm; we are not doing so well these days since I left there, but that is what the man says. Well, I have not got the $200,000 yet. My only suggestion is that I should adopt the method of the Minister of Agriculture (Mr. Gardiner) who, when he was asked about the sale of butter yesterday, gave one of those lucid and clear answers. He said that he would sell it if, as and when he could. Therefore I am going to make an assignment of my $200,000 to this Mr. Wray if, as and when I get it. I think that should satisfy him. On the other hand, sir, I am inclined to think that he should pay for the trouble and the legal fees incurred in making the assignment because although I have not got any money, and I have no hope of getting any, I do not want to be out of pocket on the $200,000 deal that I am supposed to have now.

I admit, sir, with great frankness that I have never seen $200,000, although if I stay in this house long enough, a matter of thirty or forty years, and I get the $6,000 with which we are honoured here, and I do not eat anything in the meantime and I do not pay for a house to live in, at the end of those thirty-five or forty years I may get close to the $200,000. Of course I realize I am making some assumptions there which perhaps I am not entitled to make, because if I lived that long I would be one hundred years old. In the second place, I will probably be licked at the next election that takes place in the community from which I come.

I want to pay a compliment to the hon. member for Fraser Valley (Mr. Cruickshank). He crossed the floor yesterday and came to

see me. He told me that the dispatch to which I referred had also appeared in a Vancouver paper. The compliment I wish to pay him is this, and I assure you, sir, it is true. With his innate modesty, and his studied generosity, he did not ask me for quite all of it. Therefore I pay him that compliment.

Strange as it may seem, through circumstances over which I have no control, this vile thing may possibly come to a vote in this House of Commons. Therefore I want to state—and I hope for the last time—why I think this bill should be defeated. This is one time when all hon. members from Alberta and British Columbia should tell us why, for example, we have had no one from the province of British Columbia on the government side, with the exception of the hon. member for Fraser Valley, adopting a position which must be to the benefit of both those western provinces. They could do it in a moment or two. In case this may be my last effort I want to explain to you, sir, and to the house, why I take this position, and why I think anyone taking any other position owes to you and to this house an explanation of that position.

When I opened a week ago I said I hoped I would not be repetitive in what I shall say on this matter. Therefore I shall try to confine myself to developments since last I spoke in this House of Commons on this same matter. I say that because the bill we have before us now is exactly the same bill with which we dealt last year, although the incorporators are different. I notice that in the meantime they have been joined by Mr. Austin Taylor and Mr. H. R. MacMillan of Vancouver, perhaps the two wealthiest men out there. There are only four. I wonder why the promoters did not get my old friends Tammy Hamber and Ronnie Graham into the picture too, because I think the four of them own almost everything that is loose in those western provinces of ours. I have no doubt that that was done in order to give a little Canadian colour to this vicious steal which is attempted to be perpetrated upon the people of western Canada.

I am indebted to the hon. member for Winnipeg South Centre (Mr. Maybank) for his frankness—and I do not limit that to this occasion alone for, in my short experience, he has always been frank in this so-called deliberative assembly. I use the word "deliberative" because it implies that members of the House of Commons hear certain facts and from those draw certain conclusions. On the conclusions they have drawn they then vote.

There are many funny fables published in this world, but the one I have just given I think takes first place. My name is not Aesop, but his fables were much simpler than mine and were absorbed only by gullible people. Here of course there are no gullible people. We all form our judgment on the facts as they are presented to us. With his usual frankness the hon. member for Winnipeg South Centre, when I asked him where this line was going, said he did not know.

Mr. Maybank: That is right.

Mr. Smith (Calgary West): And for the second time he has confirmed it—which simplifies the problem with which members of the House of Commons are dealing. It is not a government measure, and I emphasize that, but rather a private bill.

Since we were here last we have heard much about certain steps which must be taken to export gas from Alberta to Vancouver over various routes, one Canadian and one 80 per cent American. Since that time the gas and oil conservation board in Alberta has been sitting. They adjourned a couple of weeks ago until April 3, the reason being that under our act all the members of the legislature must be notified of a sitting of the board in order that they may attend. However, the legislature having been called together in the meantime, these gentlemen could not attend, so that the adjournment was made until such time as it was presumed the legislature would cease to sit in that province.

Many things happened there. Let me say first that the progenitors, if I may so describe them, of the present bill were there at all times. They are very charming people. I met them socially on occasions, and found their habits were very much the same as mine. We got along rather well together. Mr. Dixon was there, who I believe is the *deus ex machina*, and Mr. Logan, a New York lawyer for whose ability I formed a very high opinion. They were represented by a Canadian lawyer, Mr. H. G. Nolan, who has many letters after his name and is well known to this government, having rendered great service here in Ottawa throughout the period of the war as adjutant-general to our forces.

So that these poor boys were not little lads away from home who were being run on by these rough Canadians, or anything of that nature. They were there and heard what I heard—and a great deal more, because I attended only occasionally. I visited the west coast and was snowed in for eight days in that evergreen playground of Canada. I simply could not get out because there was no way of getting out. The hon. member for Nanaimo (Mr. Pearkes) points out to me that I could not get to the island. The reason is that the snow storms were so heavy and the

winds so high that nobody got to the island. As a matter of fact, most of them were blown off it.

If I may be permitted a slight deviation from our regular procedure I would point out that I heard my good friend from Kenora-Rainy River (Mr. Benidickson) say that he represented a company that would build a line in Canada if someone told them to. That is outside my comprehension, when someone wants to build a gas line, knowing it is going from here to there, which is more than the bills themselves say, and that they will build it at a certain place if the transport board tells them to. I have had a good deal to do with railway boards, and I have always found that I am asking for something. I am not asking for general powers which include expropriation of your lands and mine without telling whose lands I am going to expropriate, and in what direction, and all that sort of thing, which knowledge is completely lacking in this particular case.

The argument has been used by these New York slickers that we have got to take this through the United States, because we cannot take it through Canada. I listened out there to a number of gentlemen who belong to the firm of Ford, Bacon and Davis, the biggest engineering firm in the world. They simply said it could be done. But I was more impressed by an engineer of our own, a retired chief engineer of the board of transport commissioners, whose name at the moment escapes me. He knew the country well, had been over the ground and felt that any suggestion that this gas line has to be built across American soil is not only nonsense but completely insulting to those of us who live in the interior of British Columbia or the northern part of Alberta.

There I saw plans presented, and prepared on a basis of one-tenth of a mile. Those who have had some experience with surveys of large areas, or great distances being traversed, will find no more careful examination of terrain than on a scale of one-tenth of a mile. That is the sworn and uncontradicted testimony which was given at that time.

Then we have heard a good deal of nonsense about the length of the line, and the cost. May I say at the outset that I am not particularly concerned how much the people of Seattle, Portland, Spokane, Tacoma or Bellingham pay for gas. If they can use it cheaper than any other fuel, they will use it. But I point out this suggestion, that this mid-British Columbia line—because that is what it is—this Canadian line, means this, that anybody who is going to transport gas in quantities from Alberta to the United States market and to the Vancouver market must have regard to the real picture which exists. As you no doubt have read, Mr. Speaker, all recent discoveries of gas are in northern Alberta. I would ask hon. members to picture in their minds this situation: a tremendous gas field near Pincher Creek, which is practically on the United States border, not much gas in the Calgary area, and then these immense quantities in trillions of feet which have been proven around Edmonton and north. All that must be integrated. It must be one great pool upon which this export business must be able to draw.

If you just look at any map, and take a line from Pincher Creek up above and even into the Peace river district of British Columbia and into the constituency of the hon. member for Cariboo (Mr. Murray) where the gas arises, when you are talking about the length of a pipe line, it will be seen that it all depends on where you are going to tap that pool. I say this in a sense in opposition to my argument. If you are going to use in Vancouver gas which is produced in Alberta, you do not know whether that gas is coming from Pincher Creek or from four or five hundred miles north, which carries you perhaps 150 miles or so north of Edmonton. Hence these arguments about the length of pipe lines lose practically all their validity.

I am going to say something else along that line which I think favours the all-Canadian route, and it is this. One thing will be noticed about all of these bills. May I pause here to say that when we passed one of them at the first session in 1949, and I think it was a mistake, we made no proper examination of it. That is the company which today is applying to the conservation board of Alberta for the right to build a line, and that line goes over the Yellowhead, down the north Thompson into Kamloops, down the Okanagan covering Penticton and those three cities there; it goes across to Princeton and then down the Princeton-Hope highway which is already constructed into Vancouver.

I would ask you to remember this, Mr. Speaker. I am speaking now of oil, and these bills permit both oil and gas lines. Vancouver and the west coast of British Columbia, and to some extent into the interior of British Columbia, are getting their crude oil from California. It is a notorious fact that the California production is fast reaching its end. Hence we in Alberta have a real hope that we may some day supply the west coast of Canada with crude oil which will be refined there and sold as gasoline in that province.

Edmonton being the centre of oil production, and I hope some of my friends from northern Alberta will at least admit the truth

of that statement, an oil line over the Yellowhead, down the north Thompson to Kamloops, south to Princeton along the Princeton-Hope highway, is 325 miles shorter than any other route which could be taken for oil by taking it away down through Calgary, through Pincher Creek, crossing at Kingsgate and so on. You want oil as close to the refinery as you can get it. The distance is 325 miles shorter by the northern route than it is by the southern route.

I want to say this because I am a little bit disappointed in my Social Credit friends from Alberta. Their premier says there are three classes of consumers. He says first there are Albertans, and I agree with him; and that we must have proven reserves for fifty years, having regard to increase in population and all these other factors. Second, he says the oil shall be used by Canadians. These are public statements that no one can deny. Third, he says if we have gas for export, we go ahead and export it.

I pause here to ask this simple question. If this company whose bill is before us now intend to use a Canadian route, why do they not say so? This is the time to say so. This business of passing the buck to the Alberta government, to the transport board or to the Minister of Trade and Commerce (Mr. Howe) is a lot of arrant nonsense. We members are sitting here in this deliberative assembly. In this bill we are going to decide one thing: Do we want an all-Canadian route or do we not? That is all there is to be decided at the present moment. Last year I said again and again—and I am sure that some hon. members may think I had too many "again and agains"—that if a five-word amendment were made in this bill to the effect that the line be built on Canadian soil between Alberta and Vancouver, I would withdraw every opposition, that I would welcome it. I made that plain. I do so again now. Could any proposition be fairer than that?

The answer of course is plain. While the sponsor of the bill, with his great honesty and frankness, told us he did not know where it was going, I know their one intention is to take the line out of the south end of our province, through Kingsgate, Spokane and so on, leaving Vancouver on the end of a little stub line. They have their plans so prepared. There is not any question about it. I will say that outside if there is any question of liability. I know where it is going. It is going out the south end to serve the United States, and the rest of western Canada be damned. That is the bill that we are likely to vote on. I think this will come to a vote. I say that because I am not in complete control of whether it will or not. But if these men behind this business will in their bill come out for an all-Canadian route, I will vote for it with both hands.

Mr. Cruickshank: Hear, hear.

Mr. Smith (Calgary West): You are looking at me, Mr. Speaker; but I also noted my time. I will accept your calculation, of course; you are so accustomed to race tracks and that sort of thing, yours will be exact. Are you suggesting that my time is up?

Mr. Speaker: I had not suggested it, but it will be up shortly.

Mr. Smith (Calgary West): I have apparently been given second sight or something of the kind; because I looked at the Speaker a moment ago and the expression I saw in his eye was not friendly toward my continuing my discourse, although he did not say one single word about it.

At this time I am not going to ask for any indulgence from the House of Commons, but I want finally to make this plain. Here we are sitting in this chamber. We were sent down here. Nobody needed to twist our arms to get us to come. We came down here to represent the people at home and also to represent the interests of the Dominion of Canada. This is a time when every Alberta member and every British Columbia member should stand up in order that he may be counted. On what? Does he favour an all-Canadian route or does he want to go outside Canada by way of Kingsgate? Let us have no nonsense about the thing. That is the simple proposition on which we shall vote.

An hon. Member: Time.

Mr. Speaker: Order. I will inform the hon. member, or any other hon. member who may have the floor at any time, when his time has expired.

Mr. Smith (Calgary West): I think the voice I heard must have been that of a distant relative of yours, Mr. Speaker, because I thought it was your voice just a moment ago. We come to this simple proposition. I want to answer the silent attitude of my Social Credit friends who received a telegram from Mr. Manning, their excellent premier in Alberta, saying that he would like to see lots of companies incorporated in order that they might make the best deal they could. The government of Alberta has not a choice between A, B and C of saying to them, "Will you produce this gas for so much money?" There is only going to be one pipe line, a monopoly, if you like. There are lots of monopolies. The government of Alberta has a whisky monopoly and they do not fail to get a profit from it—$10,300,000 from that sparsely populated area last year. The situation is just this. The

Alberta government, through its public utilities board, controls the sale price of gas in that province. It controls the charges that are made with reference to the pipe lines in existence today, and it has been doing so for years from the Turner valley into the city of Calgary. Imperial Oil bring oil from the Turner valley to their refinery in Calgary. It is a common carrier and the price is fixed by that board. There have been no complaints about it.

Therefore it is not a question of holding an auction sale and saying, "What do you bid?" It does not make one five cent's worth of difference to the government of Alberta. The premier of Alberta is one of the finest men I have ever known and one of the ablest, but I do not think he has given this question the consideration which he might have given to so important a matter if he had had more time. I have glanced at the Speaker and he will not need to rise. I have not finished what I intended to say. Therefore I am glad that I did not give you an undertaking that I would not speak again. There is another chapter, and when I have recited it I am sure hon. members from Alberta and British Columbia will stand up and be counted at the appropriate time in the history of this parliament.

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, on October 28 last I addressed the house when we were considering this bill. Since then I have heard a great many speeches both last session and this on the subject of pipe lines and natural gas and oil. I must confess, however, that very few of them have shed much light upon the problem, and very few of them have taken into account the exact nature of the matter which we have to decide.

This bill, Mr. Speaker, is an application to parliament pursuant to the Pipe Lines Act to incorporate a company. The purpose of the company is to build a pipe line for the transportation of natural gas. The application is made to parliament because the laws of Canada require parliament to grant the kind of charter which this company now seeks. A charter granted by any other authority than parliament would not enable the company to do the work it proposes.

The bill does not authorize the building of a pipe line. Even if a charter is granted to the company there is no assurance whatsoever that it will ever build a line. It would be impractical for it to do so without first having a permit from the government of Alberta to remove gas from that province. It would also require the assurance of an export permit from the Department of Trade and Commerce before it could export any gas from Canada. To serve markets outside Alberta, and assuming that these markets are in other provinces of Canada as well as in the United States, a company requires both these permits. I think we are entitled to assume that before permits are granted by the authorities concerned the interests of the citizens of Alberta and of Canada as a whole will be protected. I have said that the house does not issue permits, and I would emphasize again the fact that the passing of the bill does not imply that any permit will issue.

[Mr. Smith (Calgary West).]

I have also said that the measure does not authorize the building of a pipe line. If hon. members will look at the Pipe Lines Act, which was passed in the spring session of parliament of 1949, they will see that before a pipe line can be built the company must secure from the board of transport commissioners permission to build it. Section 11 of that act provides in part:

> A company shall not . . . begin the construction of a section or part of a company pipe line, until, (a) the board has by order granted the company leave to construct the line.

Mr. Cruickshank: I rise on a point of order, and it is something in which I am rather interested. Is it permissible to read speeches in the house?

Some hon. Members: Oh, oh.

Mr. Speaker: I understand that at the present time the hon. member for Vancouver-Burrard (Mr. MacDougall) is quoting a section of an act.

Mr. MacDougall: I continue to read the provisions of section 11:

> (a) the board has by order granted the company leave to construct the line.
> (b) the plan, profile and book of reference of the section or part of the proposed line have been approved by the board.

In his speech on February 28 last the hon. member for Calgary West (Mr. Smith) is reported as having asked the sponsor of the bill the question—

Mr. Lennard: You are not quoting the act now.

Mr. MacDougall: —"Where is this line being built?" The hon. member who replied as the sponsor of the bill definitely told him that he did not know, which was quite true. No one in the house knows where this or any other line is going to be built.

Mr. Cruickshank: Oh, that is nonsense.

Mr. Speaker: Order.

Mr. Cruickshank: There is no statute about that.

Mr. MacDougall: I believe the hon. member for Calgary West did not place the proper interpretation upon the answer of the sponsor of the bill.

Mr. Smith (Calgary West): Well, if I have misinterpreted anybody I should like to know about it.

Mr. MacDougall: The fact of the matter is that no one can say where this pipe line is going to be built. At the moment the company is doing nothing more than seeking incorporation. If it does not get a charter, it must get its permit to export gas from Alberta. Then it must get approval for construction of the pipe line from the board of transport commissioners. No one can say in advance where the board of transport commissioners will direct the pipe line to be built. Subsection 3 of section 12 of the Pipe Lines Act contains this provision:

> Upon the application, the board shall have regard to all considerations that appear to it to be relevant and in particular to the objection of any party interested, to a public interest that in the board's opinion may be affected by the granting or the refusing of the application, and to the financial responsibility of the applicant.

Hon. members will note that under this section the board of transport commissioners must consider any public interest which may be affected by the granting or refusing of an application to build a pipe line. Certainly the question of route is a factor which affects the interests of the general public. A route over rough terrain which is impossible to maintain without incurring enormous expense means that the consumer must pay a higher price for his gas. This would not only affect the consumer in Alberta; it would affect every British Columbia consumer as well. If the cost of building a pipe line is increased by several million dollars by reason of the choice of the route, then definitely that is going to be a cost factor to every consumer who utilizes the gas put through that pipe line.

From a perusal of this section hon. members will further realize that the board is required to listen to the objection of any party interested. In view of the many speeches that have been made in this house on the subject of the route of the pipe line, it is obvious that many hon. members are interested in the matter of the route; but I put it to the house, Mr. Speaker, that this is not the place to debate what route a line should follow. By passing this section of the Pipe Lines Act, parliament has said that the board of transport commissioners will decide where the pipe line shall go. I should think it would be proper on a point of order for you, Mr. Speaker, to declare out of order any further discussion on the question of route on the ground that this is not a matter with which parliament can now deal.

Many hon. members have stated that they would approve this bill if it contained a section providing for an all-Canadian route. If such a section were included in the bill the functions of the board of transport commissioners would be usurped. Suppose for the sake of argument that this bill should provide for a route to Vancouver entirely over Canadian territory, before any line is built into the United States; and suppose that with such a proviso the company applied to the board of transport commissioners for approval of its route and the board decided that the route in question would not best serve the interests of the Canadian public. In that case it is quite obvious that the board would not be able to deal with the company until its charter was amended.

Mr. Cruickshank: What statute are you reading from?

Mr. MacDougall: Mr. Speaker, I must say that a week ago tonight I was not so rude as to interrupt the hon. member for Fraser Valley (Mr. Cruickshank) or any other hon. member.

Mr. Speaker: Order. I think I should point out that all interruptions are not necessarily rude, so I would ask the hon. member to withdraw the implication of that remark.

Mr. MacDougall: I withdraw with pleasure. When I addressed the house on October 28 last I also said I wanted the interests of Canadian consumers to be protected. I want Canadians to have first call on this natural gas, and in particular I want citizens of British Columbia, more particularly those of greater Vancouver, to have a call upon the gas before a call can be made on behalf of citizens of the United States. I believe that can be accomplished by the authorities who grant export permits; and that these authorities, both in Edmonton and in Ottawa, will see to it that this is done. I said also at that time that I hold no brief for any company in particular, but I am against the creation of a monopoly on behalf of any company already incorporated, through the refusal by parliament of this or any other application.

I say further that we in this parliament are looked upon as a democratic and eminently fair body. I believe that the people behind the Alberta Natural Gas Company have relied upon our fairness in coming back at this time. In doing so they have incurred additional expense. I understand it has cost them several thousand dollars extra just to advertise in the newspapers of this country their intention to make this further application to parliament. If they were not sure of our fairness of mind, and if they were not sure of their ability to serve the interests of the Canadian public, they would not have come back.

Alberta Natural Gas Company

Now I should like to quote a few sentences from the oldest publication in British Columbia. This article appeared in the *Columbian* of New Westminster only last week:

> Large scale discussion of the great Alberta reserves of natural gas and the chances of exporting some of that valuable fuel to consumers in British Columbia has come out of the pipe line hearings in Calgary recently. And with the discussion some new facts have come to light.
>
> To those close to the subject it might not be new, but to the B.C. citizen who just wants to see Alberta gas piped in to this province, it is interesting to note one fact on which everyone apparently agrees. Piping natural gas from Alberta to the coast is not going to be economically possible for anyone unless they also pipe some of the gas into the more populous area south of the border, the state of Washington. It may wound our provincial pride a bit, but we'd do better to accept this fact for what it is, the key to our own chances for getting Alberta gas.

So, Mr. Speaker, for the various reasons I have already enumerated, in order that this debate may be brought to an early conclusion I move, seconded by the hon. member for Burnaby-Richmond (Mr. Goode):

> That this question be now put.

Mr. O. L. Jones (Yale): Mr. Speaker, I feel I would be remiss in my duty if I did not enter into a discussion of this particular bill, on behalf of the people I represent in British Columbia. The last speaker put the controversy in a nutshell, when he said that no one knows where this pipe line is going to go. The trouble is that no one knows, and no one seems to care, providing the bill passes. We in British Columbia want to know, and we do care. It is for that reason I am speaking tonight.

Our objection to this pipe line going directly to the United States is the same as that expressed at the last session. On that occasion, we expressed the opinion that the pipe line would go directly to Spokane, and thence across country to Seattle and Tacoma. That has not been denied, nor has a good case been put up by the other side refuting our claim that this would be to the detriment of the province of British Columbia. The absence of that denial indicates to me that our claims are correct. In speaking against this bill, I want to make it quite clear that I cast no reflection on the company or the personnel forming the company. I have heard of most of them, but I do not know them. So far as I know, they are just the usual company whose motive is profit, and in order to get the most profit they want to get to the biggest market in the cheapest possible way, disregarding the people of British Columbia as well as the people of Alberta, who have a great stake in what is to be done with this natural resource.

Not only does this application before us tonight ignore all the suggestions we have made, but I believe it ignores the expressed views of this house. I know that one group has been quite silent, but possibly some of them agree with our point of view. I can assure you that until the clause for which we have asked is inserted in the bill, to the effect that the pipe line will follow a Canadian route, we will continue to raise our objections.

Public opinion in British Columbia is really aroused about this issue. I think I can do no better than to read to you an editorial which appeared in the Vancouver *Sun* on the third of this month. The Vancouver *Sun* has the largest circulation of any paper in our province. I believe it is Liberal in its politics, and would naturally try to indicate to the British Columbia Liberal members the course that they should follow. The editorial reads as follows:

> Ordinarily we'd be ashamed of the spectacle of a filibuster in which MP's waste the time that Canada's parliament might usefully devote to other issues.
>
> But in the case of the filibuster now under way at Ottawa, under leadership of George Cruickshank of Fraser Valley and A. L. Smith of Calgary West, we are merely ashamed of the necessity for it.
>
> These members believe that desperate situations require desperate remedies. They are struggling, in the only way open to them, to hold the line against American interests which seek to siphon off the petroleum resources of Alberta to the detriment of British Columbia.
>
> So Mr. Cruickshank and his associates are trying to block the incorporation bills of these American companies.
>
> The issue is whether surplus gas from Alberta shall be piped to Pacific coast markets through British Columbia or directly south into the United States. One company already incorporated has undertaken to route its pipe line through the interior of British Columbia. The other applicants will give no such undertaking. There is every reason to suspect that they have no such intention. Apparently the majority of MP's—other than Mr. Cruickshank and his group—don't care.
>
> The matter is vital to the development of British Columbia. The outcome will strongly influence our economic future. With so much at stake, we wish to convey sincere thanks to the filibusterers and to wish them all the strength and volubility that may be necessary to thwart a major economic injustice.

That, Mr. Speaker, is the view of the Vancouver *Sun*, and it expresses quite well the view of the people of British Columbia regarding this particular bill. In common with the editorial writer, I believe we should not waste the time of the house in discussing this bill. Unfortunately, there is no other way in which we can stop such a bill passing than by talking it out. We are quite willing to discuss it, or to have the other side come forward and give logical reasons why they are unable to take the pipe line through British Columbia. So far, I have not heard any reason. I have before me a report, but

I shall not read it at the moment, indicating the feasibility of taking the pipe line through the Cariboo to Vancouver.

I should like to draw to the attention of the members the fact that we are dealing with possibly the last great pool of oil on the North American continent. When I read the newspapers, I sometimes feel that we are developing it rather irresponsibly, like a bunch of drunken sailors. I am glad to note that the government of the province of Alberta has taken steps to conserve the supply of gas and oil. I sincerely hope that the provincial government will do what the government at Ottawa is obviously failing to do, and that is to conserve our natural resources for future generations. The irreplaceable nature of these resources should be appreciated. There is nothing more desolate than a worked-out area, whether it be oil, timber, or anything else. The area becomes a bunch of derelict homes, empty schools, and empty stores. There is a movement of people away from the area.

We have not taken a great deal of interest in the conservation of our natural resources. I thank the province of Alberta for having filled the gap with proper conservation measures. The resources of that province can be responsible for a high degree of prosperity for over a hundred years to come; but, at the present rate of consumption, I doubt if they will last more than 30 to 50 years. It is true that great wealth can be accumulated, and great use can be made of these natural resources before they peter out. Those of you who remember what happened in the Turner valley and in California, where the natural resources were exploited without any conservation measures, will look with dread at the indifference of our government in allowing the products of our wells to be siphoned off to the United States.

It being nine o'clock, Mr. Speaker, I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. Speaker: The hour reserved for private and public bills having expired, the house will resume the business that was interrupted at six o'clock.

BUSINESS OF THE HOUSE

QUESTION AS TO MOTION FOR COMMITTEE OF SUPPLY

Hon. Alphonse Fournier (Minister of Public Works): Before resuming the business which was interrupted by the six o'clock recess, Mr. Speaker, I wish to make a suggestion to the house, which is less contentious than the subject we have been discussing for the last hour. Last night, when I announced the business of the house for today, I mentioned that some time during the day we would move to go into supply to call two departments, transport and finance. I gave as my reason for doing so that on Friday many members had asked for a discussion under the first item of the Department of Transport. At that time, we thought we would try to meet the wishes of those members. The other reason is, if we carry the motion to refer the estimates of external affairs to the committee on external affairs there will be only two departments left that we can discuss on Friday, and I am not too sure that I could have the two interested ministers here on that date. Therefore, what I would wish to ask the house right now is to move to go into supply and to call these two departments. Necessarily, if there were discussion on the motion I would withdraw it immediately, because I would not even think of carrying it through. We would rather continue with external affairs.

If we cannot move tonight, and this is the last day this week that we can move to go into supply formally, the position will be that I do not know exactly what estimates we can take up. If it were the unanimous consent of the house to adopt this motion I would ask the hon. member for Temiscouata (Mr. Pouliot) whether he would adjourn the debate on the motion to refer the estimates of external affairs to the committee on external affairs.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, no matter how much anyone might wish to accommodate those who desire to follow a particular course, there is a debate before the house at the moment, and it can only be disposed of by a motion to adjourn. No one is in a position to state what will happen in regard to another debate when we have not even disposed of the debate that is now before us.

I would suggest that there is only one course that can be adopted, namely, for the decision to be made as to which course is to be followed and the motion made appropriately.

Mr. Fournier (Hull): Mr. Speaker, just to explain, I have mentioned that the hon. member for Temiscouata has assured me that he would be ready to move the adjournment of the debate on this motion of the Secretary of State for External Affairs; but I would not request that unless I had the assurance that there would be no debate on the motion to go into supply. I have the assurance of certain groups that they will not discuss this motion. I know that if the leader of the opposition would just throw a kindly word to his supporters I would have no difficulty in that direction.

Mr. Drew: Mr. Speaker, the very suggestion that has now been made is a child of events of the first day. At that time there was an indication of an intention to depart from the established rules of this house. Since then we have been seeing one effort after another made to keep the procedure in this house in some sort of order, as a result of the confusion which followed that original step. The rules have been long established and for a definite reason. It is only because of the departure from those rules that a suggestion of this kind presents itself. I am not in a position to give, nor do I intend to give any undertaking or to make any suggestion as to what any member does. It is for the member who is speaking to determine whether he proposes to proceed, or if he does not, to move the adjournment.

Mr. Fournier (Hull): Mr. Speaker, this is really as contentious as the pipe lines bill, and I will not move to go into supply.

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

The house resumed consideration of the motion of Mr. Pearson for reference of certain estimates to the standing committee on external affairs.

Mr. Jean François Pouliot (Temiscouata): Following what was said before six o'clock, the hon. member for Lethbridge (Mr. Blackmore) was in order in discussing trade under external affairs, because the consuls and the trade commissioners are under the Department of External Affairs. In my humble view, all those who are connected with the development of our trade should be under the direct supervision and control of the Department of Trade and Commerce, and it would simplify the work of the Secretary of State for External Affairs.

When the house took recess I had just reached a point where I was saying a word about Professor Lauterpacht. Did it not come to the mind of the leader of the opposition that the opinion expressed by that gentleman was in line with the external policy of the United States government? I am not imputing motives to anyone, but I would not be surprised at all if Mr. Acheson had asked that professor to give some elaborate opinion against the recognition of China, just to serve his own political purposes. I do not know Mr. Acheson; I do not know the professor; but I presume that the thing might have happened, and it is of the order of possibility.

Since my hon. friend, the leader of the opposition, was gracious enough to insist on the continuation of the debate, at this point I should like to be useful to him. I shall tell him that not today but Friday I was greatly surprised when he spoke as he did, although he made a very fine speech. Before the last election he was rather dogmatic, but since then he has become academic, and I like him that way. He and I are in the same position. Neither of us is a member of the committee on external affairs. The leaders of the other groups, the leader of the C.C.F. group (Mr. Coldwell), and the leader of the Social Credit group (Mr. Low), are members of the committee on external affairs. Therefore when that committee sits, the members will have the opportunity to express their personal opinions as well as those of their respective groups.

When the estimates of the department were called on Friday the first item was the administration of the department. I was really surprised that the leader of the opposition did not give his views and those of his party on the estimates as they are. Sometimes they complain about high taxes. There are some increases and decreases in the estimates. It would have been most interesting to have had his views and those of his party on these matters. They meet every morning in caucus. I am not in a position to say that the conclusion of their caucuses is collective truth or collective wisdom or collective error. I will not go so far as to say that. I give everybody the benefit of the doubt. But if he had said, for instance, "There is an increase of over $91,000 for departmental administration; what is that for?"—he could have asked that question. He did not do so. Then there is a decrease of $708,571 for representation abroad. Why that drop? Why that decrease in the amount? These would have been interesting questions, and the genial Secretary of State for External Affairs would have been only too pleased to inform the leader of the opposition and the committee about it.

There are other matters. I shall bring item 71 to the attention of the leader of the opposition. There is an item of $7,500 for the chairman of the Canadian section of the Canada-United States permanent joint board on defence. That is an interesting matter. Who is the gentleman to be selected? Why is he to be paid now when nobody was paid before? He might have asked that question. I am trying to help him. The minister would have answered, and we would not have had to wait for weeks before receiving the answer. I speak as one who has an interest in external affairs and who receives no secret information. I cannot complain about the fact that the minister does not give special information to the leader of the opposition. He has no right to get more information than any private

member in the house. One of my complaints in the last parliament was that when the former prime minister was secretary of state for external affairs he took the leaders of the opposition into his confidence more than he did any of his supporters. I remember he was telling secrets to Mr. Hanson, and to my friend Mr. Graydon, but none of his supporters knew anything about the inner workings of external affairs policy.

Now it is different, and I am glad the leader of the opposition has complained about it because I believe it is a sound policy that he should not have more information than is given to those who support the government. Why should he be given secrets? It would be impossible for the government to give him secrets, because the ministers are bound not to tell what happens in council before policies are enunciated in the house. If a minister were to take the leader of the opposition into his confidence and to tell him what happened behind closed doors in the east block, he would be betraying his oath.

The leader of the opposition has had enough experience as leader of his party and as the premier of his province to know that. Another thing I wish to tell him, and I may hurt his modesty in doing so, is that I cannot conceive why he has quoted with such gusto from Mr. Eden. Mr. Eden is no more than I am; he is a member of parliament. He was more before when he was foreign secretary.

The leader of the opposition occupies a position of trust. His party has appointed him leader, and he now stands as leader of the great Progressive Conservative party. Therefore he is much more in the commonwealth than Mr. Eden could be. Besides that, I give him credit that when he speaks in the house I am sure he is in earnest, and would not have the same motives as Mr. Eden had when he made his statement. Therefore it is not for the leader of the opposition to quote Mr. Eden; it would be for Mr. Eden to quote the leader of the opposition. That is clear; no one could object to that.

We have heard a good deal about the recognition of China and about a pact on the Pacific along the lines of the Atlantic pact. The leader of the opposition makes fine speeches outside the House of Commons.

Some hon. Members: Hear, hear.

Mr. Pouliot: It is better to wait until I have finished before applauding. He makes fine speeches. He spoke the other day to the Dominion United Church men's association in the church hall, and referred to the Atlantic treaty and what it should mean to us. The Atlantic treaty was a good thing and, may I add, was sponsored by the Prime Minister (Mr. St. Laurent). As there was a failure in what happened at San Francisco, because of veto, and the required unanimity of the United Nations on important matters, it became necessary for those who believe alike to join together and to present a united front for the defence of democracy.

I understand it that way. As the leader of the opposition knows very well, it was the Prime Minister who made that move, which found a response in many countries of the world. Now we have the Atlantic treaty signed by many nations who seek peace.

The leader of the opposition referred to a Pacific pact. Would he sign such a pact if he were secretary of state for external affairs or prime minister of Canada? For instance, would he sign a pact with Japan at the present time? A couple of weeks ago some representatives from Japan came here. They belong to the liberal-minded people of Japan, were well received here, and I believe it was a good thing that they came.

Our minds turn to Australia, a country which is doing well at the present time. New Zealand is in a similar position. A short time ago Mr. Nehru, Prime Minister of India, addressed us in this chamber, and was received with all the honours due him. If there is no pact between Canada and those countries it does not mean that they are not friendly with us—far from it. In addition to India, Pakistan, Australia and New Zealand, there is China. I shall not remind the leader of the opposition of what I have said in the house on other occasions. Perhaps when he was not here he was engaged in other business and did not have time to read my speeches. However, some time before Madame Chiang Kai-shek came to Ottawa I mentioned in the house that all that had been done for China was completely useless because of the mandarins, the men who had exploited the Chinese people for so long.

The leader of the opposition knows that in China thousands if not millions of people die of hunger every year. Naturally those people who were suffering in China were not very enthusiastic when they saw our government and the governments of other countries supplying funds, arms and other materials to Chiang Kai-shek, because they knew that those around Chiang Kai-shek were enriching themselves with that which was to have been given to the poor people. That is a well-known fact. It is not necessary to read all the books that have been published about China. Everyone knows the facts—and those are the facts.

Therefore there was a feeling against the Chiang regime, and the Soongs and all the other exploiters of China. That was the

beginning of the revolution. It is because Mao appealed to them and represented them that he overturned the regime. Now Chiang is in Formosa. The name "Formosa" means beautiful—and it is a beautiful island. Next to it is Hainan. But what are the populations of those two islands compared to the hundreds of millions of people who live in China?—nothing at all.

In international law, just as in ordinary business, what counts is the accomplished fact. In this instance the accomplished fact is that Mao now is the acknowledged authority in China and he has signed a thirty-year pact with Russia. I hope that we shall come to real business in order that we may have peace in the world. What is the use of denouncing any country from one's seat in the House of Commons? What does it change? Where have we been since the end of hostilities? What is the news we read in the papers? It is always the same thing, with the same denunciations; and the more it changes, the more it is the same thing. Why is everybody a challenger instead of trying to come to some understanding with the other powers of the world? I do not think there are any communists here in the house. I will not say of any one of my colleagues that he is a communist. But if we are to have peace, should we work for war all the time? Should we challenge the other nations of the world, as was done the other day by the leader of the opposition (Mr. Drew) and as some other members have done? If we do, we shall have here the same atmosphere that prevails among the diplomats at Lake Success, at Paris and other meetings, with the same result. I hope that, in the future, when diplomats and representatives of nations meet together, they will try to understand each other, and come to some agreement in order that war may be postponed as long as possible.

Who can speak with authority about what happens behind the iron curtain? Who knows about it? If the minister knew, I am sure that he would tell us. He does not know any more about it than we do. It is a close secret. When someone asks the minister to tell him secrets of that kind, it is pure humbug; I regret to have to say that. The discussion of such important matters of life or death for millions of Canadians should be considered more seriously, and not in a dogmatic or academic manner. It is time to put politics aside when we discuss questions of life or death for the whole Canadian people. Are we to stand aside? What can we do if we stand aside? We have the United States, which is our ally. We have the United Kingdom, which we cannot trust more than necessary after what has happened in connection with Hong Kong. Everybody knows about it. I do not come with long quotations. I appeal to everyone, and I ask every member to recall what he has read in the press at one time and another. Everybody knows that if China has been recognized by England, it is precisely because England was afraid of losing Hong Kong. We know that.

What happened during the last war? Not long ago we read in the press that Alger Hiss had been found guilty and sent to jail because he was considered to be a traitor. He was defended by Mr. Acheson. But nevertheless Alger Hiss was the adviser of Roosevelt at Yalta and it was because of the representations of Alger Hiss that Mr. Roosevelt made so many concessions to Russia. And why was the United States government wrongly informed about the strength of Japan during the last days of hostilities? Everybody knows that; it is no news. But one feels obliged to assume a solemn tone and to look dogmatic when we discuss that matter. Mr. Roosevelt unquestionably was a great man but he had some wrong advisers. He was like the leader of the opposition in that respect. I will make a special appeal to the leader of the opposition. I will ask him to put politics aside every time such momentous problems come before the house. He can do that, and do it well. I have had great respect for him since he said that Canada is a sovereign nation. He said that last year, and I congratulated him. It was a great change from the Tory policies of the past.

I should like to mention one other thing, namely, what was said by Mr. Churchill about the representation of the United States and of Canada to France. At page 508 of Mr. Churchill's book on the second world war, entitled "Their Finest Hour" I read as follows:

> At the same time it was necessary to keep in touch not only with France, but even with Vichy.

It is not a question of opinion; it is fact.

> I therefore always tried to make the best of them. I was very glad when at the end of the year the United States sent an ambassador to Vichy of so much influence and character as Admiral Leahy, who was himself so close to the president. I repeatedly encouraged Mr. Mackenzie King to keep his representative, the skilful and accomplished Mr. Dupuy, at Vichy. Here at least was a window upon a courtyard to which we had no other access.

We had as representative at Vichy Mr. Dupuy who is now an ambassador of Canada somewhere else.

Mr. Fleming: To the Netherlands.

Mr. Pouliot: Yes, to the Netherlands. He was doing the errands of Churchill at Vichy. Canada recognized Vichy, and Vichy was recognized by the United States; it was implicitly recognized by the United Kingdom

because Mr. Dupuy was representing the United Kingdom in an official capacity at Vichy. If you ask me why I say that, my answer is that I find that some erroneous statements and declarations have been made about Marshal Petain, the head of unoccupied France during the war. He was treated just the same as if he had not been recognized by the United States, by Canada and unofficially by the United Kingdom. As those facts must be true, and I use the evidence of Winston Churchill himself, I wonder why people do not admire the old man who has done his best to save the largest possible number of lives of his countrymen? Who could have done any better than he has done to save the lives of Frenchmen who were there? It was a sacrifice for him to accept that position at his age. Not only that, but my colleague the hon. member for Bonaventure (Mr. Arsenault) the other day made a speech about de Bernonville. I do not know him. All I know about him is what has been said in the house by the hon. member for Bonaventure. Those who complain about him do not know any more than does the average citizen. It is easy to utter abominations against any man. Who are the Canadians who have died on account of de Bernonville? Why do we not have the names? Tell us who they are. It is said that Canadians have been killed on account of de Bernonville, but no name is given. What is most important, Mr. Speaker, is that he has been condemned in his absence by the court of Toulouse, and Toulouse is a city of France which is in complete control of the communists. Recently there was a seizure of arms there. We hear denunciations by the communists; and when a man is attacked by the communists, everybody is credulous enough and naive enough to say, "Let's get rid of him".

The behaviour of the former French ambassador to Canada on the question of de Bernonville was shameful. I do not know what was the matter with him but let us remember at the present time France can expect much more from Canada than Canada can expect from France.

In referring to the estimates a moment ago I thought of one thing. So far as external affairs are concerned it is not so much the Department of External Affairs which is the most important. It is the Department of Citizenship and Immigration. I congratulate the new Minister of Citizenship and Immigration (Mr. Harris). He must realize the importance of the tasks that have been assigned to him by the Prime Minister of Canada (Mr. St. Laurent). He must educate those who are not real Canadians, who may be good citizens but who have not in their hearts a real pride in their country, and who do not yet consider Canada first when matters of importance have to be decided.

I noted what the leader of the C.C.F. group (Mr. Coldwell) said about the mentality of Anthony Eden. He said it in a discreet manner but I was in agreement with him. When I think of the progress that the Conservative party has made with regard to a Canadian spirit since the present leader of the opposition (Mr. Drew) has been at its head in the house I am surprised. I never expected that to happen, and I say that sincerely. For a time I thought the great division between the party would be on the one hand a Canadian party and on the other hand a party composed of imperialists, all those who have an inferiority complex, communists, everybody. Now I see there is progress, and I congratulate the leader of the opposition and the leader of the C.C.F. group. I see that there is some progress being made in the other corner also. Let us be Canadians; let us be proud of our race and of our great country and let us not be frightened by the false declarations that are made by some people who cannot support them.

Mr. Knowles: No progress on your side?

Mr. Pouliot: This is a good side; come over. As I said, this is a new era. It is a complete change, and hon. members know that very well. That is why I am prouder than ever of my party.

Mr. Johnston: You had better be careful or you will not stay there. You will be over here again.

Mr. Pouliot: No. I say there is progress, and no one is more blind than he who will not see.

Mr. Knowles: The hon. member ought to know.

Mr. Pouliot: The hon. member for Bow River (Mr. Johnston) is too clever, too bright, and has too much experience in politics to deny it. He would not deny evidence. I will not insist on it. I am just about finished. I rely on the spirit of justice, patriotism, dignity and pride of the new incumbent of the office of Minister of Citizenship and Immigration not to do something that he would regret all his life. I thank you, Mr. Speaker, and I thank the house for having been so kind to me once more.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, it may be a task for a new member of the house to address this gathering on the question of external affairs. Much has been said about the eastern situation during this debate. The complaint has been made that we do not receive sufficient information on foreign affairs so that we may intelligently debate the issue. At first sight we may be in

agreement with that statement. I take the view that today foreign affairs are so important that we should consider having a united foreign policy supported by all members of the house so that there will be no contention among us as to what our policy should be either in the east or in the west in the interests of the maintenance of peace.

As a member of the committee on external affairs, I am in agreement with the chairman, the hon. member for Cochrane (Mr. Bradette), when he intimated on Friday night that he could not be responsible for receiving confidential information from the department without proper safeguards having been made. As I understand it, one of my duties in the house is to safeguard the safety of the nation. Much as I might desire more information on external affairs, I agree with the statement of the hon. member for Cochrane, and I am not prepared to receive such information if by any chance it might get into enemy hands and thus endanger the state. In view of what has happened in the past in Canada so far as espionage is concerned, and in view of recent world events, I take the view that we cannot be too careful about what information is given in this respect. We have had the spectacle of the Alger Hiss trial in the United States. In recent weeks we have had the spectacle of Dr. Fuchs in London. Lo and behold, we now have a secretary for war in England who a few years ago had communist leanings. Where are we going? Whither are we tending?

The communist peril is a serious question for Canada and the whole world, and we will do no good unless we recognize it for what it is. I should like to quote an article from the New York *Times* of February 12, 1950, which may open the eyes of some members of the house as to where we stand on the question of eastern policy, and where the great nation to the south of us stands. It may open their eyes to the peril in which we both stand from communist activities in the world. The article is written by Arthur Krock, political correspondent of the New York *Times* in Washington, who is commonly known as the dean of the correspondents there and as the pundit. He writes as follows:

> The president, and secretary of state Acheson, reviewing the bases of American foreign policy in the light of recent and dynamic events, said in substance this week: The United States cannot do business with Soviet Russia (just as it could not do business with Hitler) except where a set of facts creates entrenched realities that force the Kremlin to adjust its aggressive policies downward. This happened and was proved in Berlin, Greece, Turkey and Iran; and all our efforts are to be directed toward increasing the number of such areas in the world.
>
> To which important democrats as well as republicans in congress, some of whose demands for affirmative policy produced the executive statements, responded about as follows: You reject the concrete proposal by Senator Brien McMahon that a new approach be made to the problem, offering $50 billion in gifts and loans over ten years to nations everywhere, including Russia, in exchange for effective suppression of atomic weapons. You say experience has demonstrated the futility of attaining such an agreement with Russia, or of Russian adherence to any agreements that could be made.
>
> By the same reasoning you reject the concrete proposal by Senator Millard E. Tydings that a general disarmament conference be attempted.
>
> On the ground that the moral commitment of this government makes it dishonourable as well as self-defeating to diminish or abolish the sovereignty of the Chinese nationalist regime on Formosa, you decline at least one hopeful opportunity to confine the international communists to the territory which they have now acquired in Asia.

Now I should like to mention the situation in the state department in Washington, as it is set out in this same newspaper:

> In other executive departments and at the capitol, however, nerves show signs of high tension. This correspondent does not attribute that to panic in any degree or to lack of any of the items in Mr. Acheson's formula. Many of the president's sub-executives are frankly worried over security, not only with respect to atomic secrets but with reference to general fifth-column activities in the government itself.
>
> One such official told this correspondent he felt certain there was such a column at work in the department where his jurisdiction is just short of the top, but that he was still unable to bring persuasion for forceful purging. Another said he would be uneasy over the successful execution of any foreign policy, however sound and strong, until "five or six individuals" are removed from a very important government office indeed.

Then I should like to quote a dispatch from the New York *Times* correspondent in Paris:

> The United States' attitude is that there is no use beginning once again an exchange of words when it is clear that the Soviet union has no intention of implementing them by actions. Premier Stalin himself once said:
>
> "Institutions and systems are not changed by words—they are changed by natural causes."
>
> The "natural causes" which appear to be predominant in the minds of the Soviet politburo belie the "words" of amity. The U.S.S.R. is pressing a cold war against the United States and its friends. Until such deliberate hostility ceases, mere "words" can be of no avail.

We have heard a great deal said in this chamber about peace, from a humanitarian standpoint; and we all agree with what has been said and the way it was said. We all desire peace; we desire it now more than ever. But we must be realistic about this peace, and I contend that Canada must speak with a united voice. If she speaks with a divided voice advantage will be taken of that fact. If we are not united, no matter what policy we adopt it will not contribute to the peace of the world.

Much has been said of an eastern policy for Canada. I served in the east for two

years, and I know what rioting there is like. I know what a wrong policy adopted by the western nations can mean to the east. The late President Wilson adopted a policy of self determination for all people. It was a high-sounding policy; and how was it received in the east? That news went through the bazaars like wildfire, and they interpreted it to mean that they could do as they liked, that they could disregard law and order. That was the way they acted, and troops had to be called in.

We do not understand the eastern mind. We in the west have developed the material or practical side of life, while the people of the east have developed the abstract or mystical side. If we think we can adopt a policy here, with our western ideas, without fully understanding the eastern mind, we shall fail and fail badly. Let me give just one simple illustration. A carpenter in Canada saws from the top down. A carpenter in the east saws from the bottom up. In other words they view life from the opposite standpoint, and we must understand their point of view; we must understand their civilization, their religion, their social problems, if any policy we adopt is to be successful.

I was in India when the London *Times* came out with a policy to which, on the face of it, every man in the western world could subscribe; but if that policy had been adopted in India it would have led to untold trouble, and we who lived there knew it. I was through the riots in India. I was through Delhi, Amritsar and Lahore shortly after those riots took place, and I know how bad they were. I know how serious the eastern problem is, and I believe that any policy Canada adopts must be undertaken with a thorough knowledge of the eastern mind. One reason the Russian policy has been so successful in the east is that the Russians are half oriental themselves, and understand the eastern mind.

We have a situation in China which is not clear. We have a communist government, but we have the two islands of Hainan and Formosa held by the nationalist forces. The problem before us today is what to do about those islands. If we support the nationalist forces in China we will be accused of meddling in the internal affairs of that country, because Formosa was ceded to the Chinese republic after the war. If we decide to support the nationalist forces there it will mean that we will have to supply them with munitions and money to carry on the struggle. The best military advice in the world today is that Formosa cannot be held by the nationalists once the Chinese communists re-arm and reorganize their air force with Russian help. If that situation arises, Formosa cannot be held.

What do we do then? Do we send men and munitions to hold it? And if we decide on such a policy will the people of Canada and the United States back us up? If we do not support the nationalists and Formosa becomes communist territory, it will provide a springboard for communist propaganda and infiltration in the Philippines and the eastern islands. I do not know the answer, but there is the problem. I agree with the leader of the opposition when he asks for caution, and for time to be taken in order that consideration may be given all these matters.

We have more or less the same problem in Indo-China. We are fighting a guerrilla war against communism in the Federated Malay States. We have Siam not knowing which side of the fence to stay on. She has 30,000 communist troops within her borders, and she is afraid that if she disarms and interns them she will become unfriendly with the communist regime in China. Like so many of the weak states in the east, she is sitting on the fence waiting to see which way the wind will blow. We have chaos in Burma, and a situation in India which requires careful consideration.

How many men in this house know how India is composed? When we speak of Canada we think of it as one nation; but when we speak of India we must think of it as a conglomeration of peoples. In India and Pakistan over three hundred dialects are spoken. There is more difference between a Mahratta and a Sikh than between a Frenchman and a German. There is a greater difference between a Bengali, a Rajput, a Tamil and a Punjabi. How is Mr. Nehru going to bring all these people together?

He has our sympathy. He spoke here, and he received a grand welcome. Mr. Nehru has a problem which is colossal in the extreme, and just as complex. The United Nations decided they would send a mission to settle the Kashmiri dispute. They are trying to settle it according to western ideas. They said, "We shall take a plebiscite, and let the people decide for themselves." This mission has been there for many months, but no plebiscite has taken place as yet. Kashmiri is a thorn in the flesh of India. If this question is not settled promptly, it may well lead to civil war between Pakistan and Hindustan. You have a situation there which is fraught with great peril. If we can help Mr. Nehru and the Indians to solve this problem, by all means let us do it.

India is the bastion of democracy, such as it is, against the communist influence filtering down from Afghanistan through the Khyber

pass. We must support Mr. Nehru in any move he makes to keep the communist influence out of that part of Asia, because if it gets down there it will spread further.

Much has been said here about peace in the world. I have dreams about the peace of the world. Last fall the Prime Minister made a statement that war was not imminent. His statement was received with a great deal of relief by all the members of this house. The Prime Minister cannot guarantee future peace, nor can anyone else. As the article in the New York *Times* states, that has been demonstrated time and time again. The holding of conference after conference and getting nowhere is not the way to peace. What are Russia's intentions in the world? Hitler wrote a book called "Mein Kampf", in which he set out the plans he intended to carry out. When people read that book, no one would believe he would be foolish enough to tell us what he was going to do, and then do it. But he tried to do it. Lenin has written that communism and the Christian ideology cannot exist side by side on this earth; one must go. We would do well to believe that, whatever policy Russia has, and however she may trim her sails to suit this mood and that mood, the basic principle of communism is that Christianity must be destroyed or communism will be destroyed. We have to face that fact. To sign pacts with people for whom the ten commandments and the sermon on the mount have no meaning is useless. They can but be binding on us, and they will not be binding on them.

If we call a conference now at the higher level, and trust them, we shall be sadly left. The only language they understand is the language of force. This nation, and all the other democratic nations, must be strong; strong to resist aggression and show these people in the Kremlin that if they do start a war they may destroy, but they will be destroyed. One of the reasons why gas warfare was not begun by the Germans during the last war was that they were afraid of the retaliation the allies would make. We have to get it into the minds of the people in the Kremlin that if they do start a war we shall retaliate; that is the only language they understand. If we cannot penetrate their minds, we must penetrate the minds of the Russian people, and of the people who are under communist domination. We must impress upon them that the policy they are adopting is a policy of destruction, and that, while they may destroy, they will be destroyed. Nobody wants to commit suicide. That is the language they understand, and that is the language which we must put across to them if peace is to be maintained in this world.

[Mr. Stick.]

We in Canada together with the other democratic nations of the world, must be strong or we shall have a war. That is the road we are travelling, so let us admit it, whether we like it or not. I do not want a war. I have seen enough of it. Any man who has seen anything such as I have seen does not want war. But I do not want my wife ravaged or my children taken to God knows where, if that is the price of communism. I want freedom in this world. I fought for it years ago, and I am prepared, old as I am, to fight for it now. I want peace in the world, but I also want freedom. If we think we can have peace without freedom, we are making a grave mistake. During the interval between sessions, I have travelled this country from the east coast to the west coast. I have met many Canadian people, and I have talked with many of them. I say to you that this is a grand land; it is a good land. I could describe it as a land of hope and glory; hope, because of the faith that the people of Canada have in the future of their country; glory, because of the achievements of the people in the past. Thank God, it is still a land of the free. Let us keep it that way.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, there are a few remarks which I should like to make at this particular time. This foreign affairs debate is generally reserved for the experts. I have been in this house sufficiently long to come to the conclusion that there are no experts. It is mostly because of the experts that we get into difficulty. I rise at this time because of a speech which I read that was made by the Secretary of State for External Affairs (Mr. Pearson) at Lake Couchiching. It was reported by *The Canadian Unionist* of September, 1949. This speech is a masterpiece, and I recommend that every member of this house secure a copy and read it, particularly the members opposite. In that discussion, and it was quite lengthy, the minister covered practically all the obligations of a free society. If, in the administration of his department, he follows the mechanics described in that talk, he will not go very far astray.

I accepted that speech as the embodiment of his opinion, so I was rather disappointed, when he opened this debate, to get the impression that he was not as free as I had seen in the house on former occasions, when he had returned from the field behind the scenes of external affairs. In this speech the minister seemed to be a bit shattered. I got the impression that, as a member of the cabinet, he was placed in the position of attempting to apologize for internal government policy by using external matters to cover up. I hope I was wrong. It seemed to

me he was doing a bit of clever footwork, and I was a bit disappointed. One of my reasons for rising at this time was to recall to the minister's mind that particular speech, and the mechanics outlined in it so that he could reset his sights.

As I said a moment ago, this business of external affairs should hold no mysteries for the members of this house. I am reasonably sure it does not for most of the citizens of Canada. Within the memory of most of us in this house, we have seen two wars—wars that have come to us from the outside. We have seen Canada's position in those wars, and we had a fairly good idea of the things for which we were fighting. I well remember the old league of nations. I was a member of the league of nations society. I decorated many platforms between the two wars in preaching the gospel of collective security. I thought we had everybody in the world convinced. I remember very well the leader of the opposition being in that organization before he became a politician. He too used to take a stand on matters of collective security. We remember these things, and there is nothing mysterious about it. We know how we get into depressions and what brings about wars. We have seen the machine of propaganda at work twice during our lifetime building a country up and then tearing it down. If you read the press today it is difficult to be sure where propaganda ends and facts begin.

I should like to go back over the speech of the Secretary of State for External Affairs a little bit. All through that speech—and I think correctly—the minister suggested that there were two extremes in the world; and the safe and sane and only course for this country to pursue was to provide a cushion between the extremes, so that there would not be any fear of a clash or a war during our lifetime. I agree with him on that. But I cannot see the government to which he belongs following that particular course at this time. I myself do not think that we are doing all we could. I do not think that we are living up to our obligations under the United Nations charter. I agree with the last speaker that psychoanalyzing the East, understanding them, solving their difficulties, and all that kind of thing, is a pretty tough proposition so far as we are concerned. But we have made certain commitments within the United Nations Organization that we as a country can live up to. I do not think we are living up to them. I want to qualify that by saying that I think the main requirement in the world today is to feed hungry people. With that in mind the United Nations have set up the food and agricultural organization. That body of experts from all over the world decided on certain policies; they decided on certain things that should be done with regard to feeding hungry people. At some time in this debate I should like the Minister of Agriculture (Mr. Gardiner) to tell us whether we as a country are doing all we can to live up to the proposals made by that particular branch of the United Nations. I do not think we are, and that is something we can do.

Secondly, I do not think we are living up to our obligations under the United Nations charter in not accepting the report of a committee of experts on economic affairs, which was recently made. The main consideration of the committee in that particular report was to devise ways and means within each country to maintain full employment. Certain recommendations were made. They are rather lengthy. I imagine most hon. members have read them. I am not going to quote them tonight. Boiled down, the committee recommended that in each country, in so far as it was possible, full employment should be maintained. They recommended certain measures that should be adopted if employment was slipping. For example, they recommended a public investment program. They recommended some social security measures; they recommended keeping purchasing power as high as it possibly could be kept if the unemployment figure went above what they considered a normal level which was, I think, around 4 or 5 per cent of the working population. Our figure has gone beyond that. We have a large number of people unemployed in the country. I do not think that any of the main recommendations of the committee have been acted upon by this government. The fact of the matter is the reverse is true, because our representative in that particular field did not agree with them. I have a copy of his statement to the committee on the measures that they recommended for the purpose of maintaining full employment. He disagreed with them completely. He told them that as far as he was concerned they should lie in abeyance until such time as the government had an opportunity to study them, and so forth. He felt that the recommendations made by these experts from every country in the world in that particular field were impracticable and could not be applied in this country at this time. If they could not be applied in this country at this time, or back in September, 1949, then they could not be applied in any country in the world; because, in my opinion, this is the only country that has surplus resources on which people could be put to work. I think we are falling down in that respect. The least we can do is to do the things that are possible within our own country that come within the structure of the United Nations.

It is not hard to disillusion people and to make them sceptical and doubtful. We have heard a lot of high-sounding talk in the last ten years, and particularly in the last three or four years. I heard the leader of the opposition refer to the Atlantic charter. In his election campaign Churchill claimed great credit for the writing of the Atlantic charter. What did it mean? It did not mean anything. It was merely a propaganda statement, drafted for war purposes, on the eve of the invasion, to stimulate the troops in that invasion. It was only a formal document. It meant nothing legally and the people have come to that conclusion. They know that now because in effect Roosevelt said so himself. It was merely a propaganda document to stimulate people and to spur them on to a greater war effort. All of the language that was contained in the Atlantic charter about free access to raw materials of the world, and so forth, was just so much eyewash. It did not mean a thing. We have to start doing things if we are to come through this period right side up.

The discussion brought on by the Secretary of State for External Affairs at this time on the question of the recognition of China is an important one. It is one that should be thoroughly understood. I got the impression that in bringing it on at this time the minister is merely flying a kite for the purpose of getting all the information he can on the subject. I think he is testing public opinion and is looking at the editorials in the press. That is exactly what I would be doing if I were in his place, and had to deal with this particular subject at this time, because I know—and we might as well be quite frank in admitting this—that there is a lot of pressure being put on at this time by sectarian sources. So far as I am concerned I do not let these things influence me. There is a certain world condition, and if in the judgment of a majority of the members of this house and of the government a certain something should be done, then so far as the house is concerned that is what should be done, because in handling this particular situation we may be hitting the key to the future; and if we strike the wrong key and someone starts throwing atomic bombs around, they will not be either Catholic or Protestant; they will be straight atomic bombs without any discrimination, and we had better have a thorough understanding of it.

The leader of this group has already said that so far as he is concerned he thinks we should recognize China at this time. The leader of the opposition has taken an adamant stand to the effect that he does not think we should. He thinks it is the road to appeasement. Well, no one should know the route to appeasement better than that party—and I am not saying that to cast any reflection upon the present leader of the opposition. But I do know they were behind appeasement as it developed before the last war, and leading into it. However, I shall not comment further upon that.

Then the government are doing exactly what I said they were doing. They are flying a kite—and I do not blame them because, in the final analysis, it is their responsibility. They are the ones who have to make the decision. I cannot see much similarity between the position developing now and the one which prevailed before the last war on the question of appeasement. I do not think we are appeasing anyone.

I am not concerned about the legal aspect of the matter. Someone said this afternoon that some professor had made a decision based upon international law to the effect that we have to recognize the fact that a certain government is there—and that that is international law. The question which arises in my mind is this: Who writes the international law? Certainly there is no international government, nor is there any statute as such. It is merely the opinion of someone who is a "supernatural" lawyer. He hands it on and some think it must be accepted as gospel. I am not concerned at all about that aspect of the matter.

I am concerned about the position of Canada, and her relations with China, and whether we are able to give the Canadian people an intelligent lead from the House of Commons. We have recognized many satellite countries, not because we liked them or because we liked their philosophies, but simply because they are there. We have established trade relations with them, and that is about all.

Our position with respect to China, as I see it, is this: In that country there are 450 million people who, because of mismanagement in the past, a lack of the means of life, and a high degree of manipulation, are prepared to accept anything in preference to what they had. That is the kind of government they have in China today.

There is much talk about an iron curtain, lack of opportunity, and getting in to tell the people what we are trying to do. Well, instead of appeasement, as set out by the leader of the opposition, are we not in a position where we must ask ourselves whether we are willing to close the door on China, have another iron curtain, and cut them off completely from any relationship with the outside world, thus throwing them directly into the arms of Russia?

Is it not better for us at this time to recognize the fact that, so far as China is concerned, there is no complete control of that country today?—and I do not think anyone, at least during our lifetime, will have complete control of it. It is in a fluid state. The armies of a certain section representing communism are in there, but they have not much to work on. My recollection of the Chinese people is that they are most versatile, and it will not be easy to ignore them.

Is it not better for us now to recognize what Great Britain recognized? She recognized China because she was faced with an immediate war, with the possibility of being driven out of Hong Kong. Indeed, I do not believe she could have held on. So, was it not better for her to stay there and to hold that section of China so that she could open up trade relations and have people in that country working along with the Chinese people at this time, while the situation is still fluid within that country?

Would it not be better for us to do that now? Would we not be wise to establish trade relations because, whether we like it or not, we are part of the United Nations set-up? In my opinion the delegates from the present government of China will be recognized and within the near future will be seated within the United Nations. Where is there any appeasement in our wanting to take the only logical step we could take at this time, that of keeping in there and helping the Chinese straighten out the mess they have at the present time?

I come from a riding which is well informed on international affairs, and in which there is an old established union with a co-operative set-up. They have studied this question thoroughly. I was in touch with them on it while I was home, and I have no hesitation in making the statement here that they believe this is the responsibility of the government.

The minister has set out certain definite steps which must be taken before recognition is granted. When these steps are taken and when the government is assured that the government they are going to recognize and with which they are going to establish relations can live up to its international obligations, then I believe it would be proper for this government to take those steps and thus keep as close as possible to the Chinese people.

I have no hesitation in saying that, and I believe the great majority of people outside the house would support the government, if they understood the situation. However, most people are confused by the double talk they hear on this matter. So many people are afraid to take any stand until they see which way the straws are blowing, with the result that people do not have leadership and do not understand. Then, they are confused by the editorials in the different newspapers, one pulling this way and the other that—not because they are particularly concerned with the government's responsibility but because they can make certain propaganda and capital out of the subject. The result is that people are confused. This question is so serious and can create so much confusion that I believe the minister and the government are entitled to the expression of definite opinions, without any double talk, as to where each member stands. In this way the people outside may be enlightened and have a clear lead from the House of Commons.

Ninety-five per cent of those who sent us here have not the time to read and understand the implications of all these matters. Members have that time, and should make a study of these subjects. It is my belief that members of the House of Commons are morally obligated to give the people some understanding of what should be done when a matter of this kind comes up—because this question may become the key to the future, so far as war is concerned.

I should like to see the Secretary of State for External Affairs (Mr. Pearson) take strong steps within his own party for full implementation of the recommendation of committees within the United Nations structure, because I do not think in the world today there is any country in a better position to carry out the recommendations with regard to full employment and the recommendations made by FAO. I believe if we can show our people, people outside and those within the structure of the United Nations, that Canada is accepting her commitments and living up to them, it will be the best way to influence the Czechs, the Yugoslavs and the Chinese, and all those who go with them.

I believe I have said in the house many times that I am not afraid of a shooting war. First, I do not think the United States will ever take aggressive action to start a war. Secondly, I do not think there is any country in the world more afraid of war than Russia. As I see Russia today, and as I have seen her for some time, she is in much the same position as Germany was in 1944. She has spread herself—and the farther she spreads the weaker she gets. Today I see her as the fly who captured the flypaper—he was there, and he was stuck with it. When a country has to police half of Europe, and then pitch in and help China, and has her forces scattered all over the world, she is not getting any stronger.

If someone wanted to shoot tomorrow, what do you think the Czechs would do, or the

Poles, or the Roumanians, or the Bulgarians? Do not make any mistake about it, nobody knows better than Joe Stalin what will happen. There will be a roorback. These people are not subjected. They are under the hand of the Soviet for the time being. I cannot see Uncle Joe wanting to start a shooting war and perhaps open up his own borders to counter-revolution. I do not think the United States of America will ever toss either an atomic bomb or a hydrogen bomb. I do not think they are built that way. I do not think they have any imperialistic, expansionist aims.

This cold war that Russia has been throwing at us is all part of the game. Anyone who has read the philosophy of the program of the communist party—and I think most hon. members here have—will know that the period they are in now is known as the period of national revolutions; that is, promote revolution within each country as you go along, and have your satellites take over. That is their program now. Their program is not to start shooting. But if they can create unemployment and bring about the inevitable break-down of capitalism, as they say—create confusion and chaos and soften the people up—that is good propaganda for Russia. It is good propaganda to build up their machine within this country.

Hitler did the same thing. It is not new. It is the totalitarian method of conquering a country. They are doing now exactly what Hitler did prior to the outbreak of war. The people in Europe were starving. Hitler was offering them bread. He asked them to give up their freedom. All we have ever said to them is, "Cling to your freedom"—freedom to go hungry when you have not any bread. We must offer them both freedom and something to eat. The game is the same today as it was prior to 1939. It is just being played by a bigger and a better card player; that is all. But I think we have learned something ourselves in the meantime. I trust that the minister will have good luck and good health in the administration of his department, and I hope that he will occasionally pick up this copy of *The Canadian Unionist*, have a look at it and read back his speech. In my opinion that speech is a masterpiece; it is worth reading. I advise every member of the House of Commons to read it. I hope that he will apply the philosophy contained in that speech at every step of the way as he goes along, both nationally and internationally.

Mr. Alistair Stewart (Winnipeg North): After listening to the hon. member for Cape Breton South (Mr. Gillis), Mr. Speaker, I always find that he has expressed a certain amount of common elementary horse sense which is most refreshing. Once again he has done so in this debate on international affairs. It was opened last Friday by the minister, and much of the discussion which has followed has centred around the recognition of China. It is not a matter about which I am greatly excited. Last November, during the course of the last debate, I said that the recognition of China had to be an *ad hoc* business, that we should recognize China before it was too late to get advantage of the recognition but not so early that we might give aid and comfort to a regime that we disliked. Obviously that last qualification has disappeared. I still repeat that the recognition of China is not a matter of ideology. It is a matter of assessing the facts of the situation and acting accordingly.

I was asked by a friend on Saturday afternoon what I thought of the minister's speech and about what he had to say in it. To some it may have appeared to be a rather prosaic statement of the facts of the situation, but I could only describe it by an analogy, by saying that he started off with a pack of hounds along a certain defined track, and on occasion one of the hounds would pull away from the pack and go into the brush; but before he got too far the minister had whistled him back to join the pack and at the end of the journey they were once again all together. I think it would have been much more interesting had the minister permitted some of these intellectual hounds to wander still further into the underbrush; but for his own good reasons he has refrained from doing so.

Following upon his statement there was a speech made by the leader of the Conservative party. On listening to it I came to the conclusion that the hon. gentleman was asking for a jehad, for a holy war against the infidel. When I read the speech, however, I was much less certain that I was right; and when I reread it, I must admit that I am still even more uncertain as to what he meant. I think that his whole statement might be boiled down to this sentence which I quote from page 466 of *Hansard*:

> But the highest duty of every government today . . . is to demand that there shall be common action, and that there shall be a clear and uniform pattern of strategy which will be known to the people of the free nations, and which will be known in the clearest detail to the nations which threaten our peace and security.

But what form of common action? Does he envisage common action under the United Nations or common action under the Pacific pact which he would like to see but which is, as yet, impossible. If not, under what aegis does he envisage this common action

and how would he like it to take form? It is hinted at again at page 462 of *Hansard* where he is reported as saying:

> The territorial ambitions of the Soviet empire . . . are not limited except by recognition of the fact that there may be some point beyond which they dare not go.

But again he left questions in my mind. What is the point at which the Soviet union will stop? Does the leader of the opposition know that point; or does Mr. Stalin, for that matter, know it? I do not know, and I think the leader of the Conservative party ought to give his opinion as to where that point is. Is it in Viet Nam? Is it in Malaya? Is it in Thailand or is it even as far as India?

Then as reported at page 463 he talks again of firm action and he says:

> When I say "firm action" I mean the kind of united action to preserve peace which the Russians will recognize today just as the Germans would have recognized it either in 1914 or in 1939.

But again he has left too many "i's" undotted and too many "t's" uncrossed. It seems to me as though he desires to impose his terms upon the Russians, and I do not think there is any nation in the world today which can impose terms of any kind on that country. As reported at page 465 of *Hansard*, for instance, he tells us this:

> Appeasement is going to go no further; we have learned the lessons of the past and there will be no truck and trade with tyranny of this kind unless and until they are at least prepared to accept the ordinary standards of international conduct.

Again the hon. gentleman seems to wish to impose upon the Russians his desire and his conception of the ordinary standards of international conduct. I am afraid that his standards and mine differ, because only too frequently the standards of international conduct which we have seen in operation are the standards of the jungle. He asks for peace, yes. He tells us that his speech is geared to peace. But again I suggest that the peace which he envisages is peace on our terms; and the Russians I think have already made it amply clear that they are not prepared to accept those terms.

He stated that there should be no recognition of Mao until common action is decided upon. The view has already been expressed, I think, that common action now is impossible in view of the fact that certain members of the commonwealth and of the Pacific area have already recognized Mao while others, including the United States, have not. I suggest further that common action is impossible in a world of national sovereign states, where what will most appeal to a state is its national interests. The British have recognized Mao not because they like him but because they thought it was essential for trading relationships that they should do so. The Americans have not recognized him for their own good reasons, not the least of which is the matter of prestige.

How then can we reconcile these two national views? The leader of the official opposition (Mr. Drew) also asked members of the house to express their views on the matter of recognition. He stated that the Mao regime was imposed by force. I am not prepared to dispute that, but nevertheless it is very obvious that it was a force which was acceptable to the great mass of the Chinese people. It was a force which was acceptable to the peasants and the workers in the cities, and also to the intellectuals of China. Obviously the Kuomintang regime had little hold on the loyalty or affections of the Chinese people. One has only to consider the defections of the Chinese armies, and the constant surrender after surrender of Chinese cities to realize that Chiang had little hope of holding either these towns or the loyalty of the people. The reason he had little hope was that the communists offered the people of China food. A bowl of rice today in China is an infinitely greater argument than all of the ideologies which the wit of man has devised. We have to learn again the lesson that the strongest argument against communism in Asia today is food. And now we see Formosa groaning under the bureaucracy of nationalist refugees, and also under threat from the Peking government. I think there is little doubt but that island will eventually fall.

There are certain arguments for recognition. I have already advanced one of them, the national interests of our country. I am not prepared to say exactly when and at what time China should be recognized, but there is another aspect of the situation which must be considered and that is that the recognition of China undoubtedly is a weapon in the strategy of the cold war which is being waged all across the globe. Non-recognition by the western powers may mean a surrender by default to Moscow of leadership which we ought to be giving Asia. That is one of the dangers which we face.

We know that Mao signed an agreement with the authorities at the Kremlin. On the face of it, it appears to be not unfavourable to the Peking government. They are going to get the help of certain technicians from Russia. They are going to be given back certain cities in Manchuria, and we shall have to wait until 1952 to see if that promise materializes. They are getting a loan of some $300 million spread over five or six years which, so far as the rehabilitation of China is concerned, is nothing but a drop in the bucket. Nevertheless one can adduce that as evidence to show that there is close integration between

Peking and Moscow. I should like the house to remember that even although that agreement exists China is not necessarily lost. If Moscow is going to behave towards China as it has behaved towards other countries which communist parties have taken over; in other words, if Moscow is going to try to make China another satellite nation, then I am certain that the Russian policy is doomed to failure.

On the other hand, I am equally certain that we cannot make an ally of China. Therefore our policy should be designed to try to ensure its neutrality, and anything which looks like hostility towards that country will have the effect merely of pushing it further into the arms of the Russians. Today in Asia communism is not the strongest force. Nationalism is the strongest, and after nationalism the desire for economic progress. We have to realize these things, and if we do then I think the west is capable of giving the lead which is so essential.

There was another part of the argument of the leader of the opposition which rather intrigued me. In part he objected to the recognition of China on legalistic grounds, but at the same time and in the same speech he welcomed the recognition which had been accorded Viet Nam. I do not know on what grounds he did so because there is infinitely less reason in law for recognizing Viet Nam than there is for recognizing China. On the other hand, it may be that his argument is the moral one that we detest and despise communism and therefore we should not give the accolade of recognition to any such regime. If we are going to argue on a moral basis then we must be consistent, and we must be prepared to withdraw recognition from those communist-dominated nations to whom we have already accorded it. I will go much further than that and say that communist-dominated nations are not the only ones whose customs I dislike intensely. I would think if we are going to be thoroughly logical in our moral condemnation we have to go the whole way, and if we do that we will have to cut down our diplomatic staff until it is perhaps the size of a corporal's guard.

I said that Viet Nam does not satisfy the legal conditions necessary for recognition. Again that is not a matter which worries me unduly because recognition of Viet Nam is not a legal matter. It is a diplomatic maneouvre and another step in the cold war. I think we ought to give some consideration to what is happening in that country because of the consequences of the actions of the western powers and of Russia. There are two factions in Viet Nam. The first is headed by Bao Dai. He is a French puppet who was educated in Europe. I am informed he is a bit of a playboy, but then he is youthful. He abdicated in 1946 and afterwards served under Ho. On the other hand there is Ho Chi Minh, his great rival. He is a communist agent, one who worked with Borodin in China, one who is playing a very skilful and cagey game today. He is the one of course who is recognized by Russia, and that is important because I do not think Russia would have recognized Ho unless the Kremlin had been reasonably certain that he was going to be successful in his struggle. The house will remember that Russia did not recognize the insurgents in Greece, but they have given recognition to Ho who may of course have received the kiss of death recently when he found that Tito had also accorded him diplomatic recognition.

There are certain arguments in favour of the recognition of Bao Dai. The first is that recognition by the United States, the United Kingdom, and France, as one would expect, has raised his prestige amongst the native population, an argument which is probably quite valid. Another is that he controls the large centres of population in Viet Nam. Nevertheless over the whole picture I doubt very much whether he controls the loyalty of 25 per cent of the people of that country, and certainly he does not control the majority of the land mass. It has been argued that he is the only alternative to Ho and that we could do nothing else. It is perhaps also true that we are endeavouring to support France, that the French wished to recognize Bao Dai to preserve to some extent the stability of the French government on this matter, and it was essential to go along with their desires. Perhaps the best argument of all is that the reality of the cold war demanded that recognition.

On the other hand—and I am presenting these alternatives to the house—there are arguments against it. In the first place Bao Dai is obviously a French puppet. He does not control the foreign affairs of his country and he does not control the armies of his country.

He does not control the finances of his country, nor does he control the judiciary. All these come under the control of France; and until the people of Viet Nam have more control and more to say in their own country I doubt very much whether it will be possible to persuade the nationalists to swing in behind Bao. What we in the western world seem to have done is try to bolster a colonial regime. We are faced with the fact that the Russians have recognized Ho; and having recognized him, they may feel it right and proper to support him. The western world has recognized

Bao, and having done that they have to support him or suffer another loss of prestige. Thus we who wish Bao well may find that whether we like it or not we have become mixed up in a civil war in this country in southeast Asia; and that is a great and grave responsibility for us to undertake. Once again we seem to have been manoeuvred into the support of a regime whose only merit is that it is anti-communist; and that is not a good enough way either to contain or defeat communism. This is a distinct testing ground if ever there was one; and if we wish to see Bao successful he will require something more than good wishes. The western world will have to realize that it has material obligations to him as well.

Perhaps if the minister is going to close this debate he will be able to enlighten us still further as to what happened at the Ceylon conference when the majority of the commonwealth members agreed to recognize Bao but Mr. Nehru held out against them on the ground, which I think was good and sufficient, that Bao's position is something more than precarious.

In his speech the minister dealt with another matter that is worthy of careful thought. He gave us a résumé of Russian proposals for the control of the atomic bomb and pointed out that there has been no significant change in the Russian position over the last two or three years. Two things are obvious. In the first place the Baruch plan—I call it that though it has been amended—is not acceptable to Russia. In the second place they are not prepared to agree to full-time inspection. That is not a new position but one they have taken right from the beginning; and these are facts which must be considered. In his remarks the minister said Vishinsky's proposal does not give us that security under international control which is essential if we are to sign any international agreement. That is true; it does not give us very much security. But there is no security at all today; and perhaps even the most limited degree of security will offer a little more hope than the nothing we now possess. Since Russia obviously has the atomic bomb I suggest that there is less reason than ever for expecting her to accept the United States proposals which were put forward two or three years ago.

What then is going to be our answer to this Russian refusal? We must have some answer. Again the minister gave a glimmer of hope when he said we must keep open every road and every path in the search for survival. I think we may agree that today there is no complete defence against enemy attack; but unfortunately the only answer of the west is to find greater means of destruction in the hope that we can make an enemy suffer more than we do. That is not the most constructive or most sensible approach to the problem. We in the west seem to be obsessed with the idea of increasing our military power under the illusion that it is going to make us safe. I maintain that it will do nothing of the sort; that if that is the extent of our answer to the Russian "no" there is no safety at all.

So we must have some sort of control, no matter how inadequate it may be. While I am not prepared to accept everything the Russians suggest, at the same time I do think we have to settle down a bit ourselves until we can find some common ground for discussion. We must find some sort of control not only over the atomic bomb but over the right to wage war. Even if Russia accepted the Baruch plan, can one say there is any fully proved method of achieving security under it? I doubt it, with a nation the size of Russia. So we have to start again.

There has been a change in tactics and also, in certain quarters, a change in outlook. I read an editorial in yesterday's Ottawa *Journal* commenting upon something which Mr. Lilienthal said in condemnation of certain scientists who feared that the advent of the hydrogen bomb might mean the end of the world. He called their statements intellectual nonsense. This editorial went further, and said that Hiroshima was a pin point in the world, and that even if the hydrogen bomb should be a hundred thousand times worse it could not be very much more devastating. Hiroshima was not a pin point, and here is surely an example of the moral stultification which many have reached. What happened at Hiroshima was that thousands of innocent people were murdered in the name of war. I do not attack the use of the bomb, nor do I defend it, but surely in heaven's name Hiroshima was something more than a pin point on this map. In the body physical a pin point may mean the beginning of a cancer which will cause death. In the body politic that sort of pin point may also lead ineluctably to the same sort of death. Hiroshima was not a mere pin point. Time after time in this same newspaper I have seen the editors invoking Christian beliefs; yet by their own moral paralysis they have shown that these beliefs have very little meaning to them, when they count the death of tens of thousands of innocent people as merely a pin point. That perhaps is an interpolation, yet I felt I had to say it.

I say there has to be a change in tactics. Containment in the negative sense obviously is not enough. Containment allied with a desire to improve the condition of peoples throughout the world might have worked, but I do not think we are doing quite enough to

help. Growing sums of money are being spent on weapons, but surely we should learn the lesson of history that when we spend more money on weapons our possible antagonists also are going to spend more. The eventual result must be growing fear, growing tension, and the distinct possibility of war.

Today almost everything is being placed second to the illusion of national security. In the North Atlantic pact we are trying to provide ourselves with security, but again we have not gone far enough. Here Canada has a grave responsibility, because the government, rightly and properly, insisted on the insertion of article 2 in that treaty. That is the article which deals with closer economic collaboration. Unless we can get rid of the economic rivalry and economic war which now exists, we are not going to find the security we want in military co-operation. We must have economic as well as military co-operation; then there may be for us an element of safety. I believe it is the responsibility of the government to press that view not only in private but also, if necessary, in public.

So far as I am concerned, I firmly believe that it is national sovereignty that is keeping the world in a turmoil. Until we get rid of national sovereignty, I see no hope of ultimate security. We have learned a lesson in surrendering some of our own individual rights in our communities. Each of us has been required to give up some part of his individual sovereignty to the community, so that it could maintain law and order. In that way, security and freedom have been maintained. We have not yet had the intelligence to project that lesson into the field of international affairs. Until we have seized the initiative, and attempted to catch the imagination of the people of the world, we shall not succeed in containing communism. The suggestion I have to make may be greeted with a certain amount of derision in some quarters, but I do think we could seize the initiative by suggesting at the United Nations that an element of national sovereignty be surrendered to that collective body. This element of national sovereignty would, of course, deal with national defence.

I do not think for a moment that the offer would be accepted by the Russians or by their satellites, but at least we would have made the offer. If that does not work, then we have to try to achieve something within a narrower group. The only group I can see is that composed of our allies in the North Atlantic treaty. If we do that, if we collectively give up part of our sovereignty then I can see hope. I believe this government has to give leadership, not only to the people of Canada, but as we can and as we must do, to the people of the world.

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

Mr. Hansell: No, Mr. Speaker, I would beg leave to move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we shall resume the debate on the address.

Motion agreed to and the house adjourned at 10.50 p.m.

APPENDIX

FURTHER CORRESPONDENCE BETWEEN THE PRIME MINISTER AND PREMIERS OF SOME OF THE PROVINCES WITH RESPECT TO PROPOSED DOMINION-PROVINCIAL CONFERENCE

OFFICE OF THE PREMIER
Province of British Columbia

Victoria, February 10, 1950

Right Hon. Louis S. St. Laurent,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Canada.

My dear Mr. Prime Minister:

I have for acknowledgment your letter of January 27, and may say that the government of the province of British Columbia will be pleased to participate in a conference to discuss questions of common concern to the provincial and federal governments at a time to be designated.

I note your desire to have my views regarding matters to be discussed at the conference in the fall. I shall be pleased to forward you my comments regarding the agenda following the prorogation of the British Columbia legislature.

With kindest personal regards,

Yours faithfully,

Byron I. Johnson

OFFICE OF THE PREMIER
Province of Newfoundland

St. John's, February 17, 1950

Right Hon. Louis S. St. Laurent, K.C., M.P.,
Prime Minister of Canada,
Ottawa.

Dear Mr. Prime Minister:

This government will be most happy to attend the dominion-provincial conference which you have called for the coming autumn. We have at the moment nothing in particular to suggest for the agenda, but will govern ourselves largely by the suggestions which our sister provinces will submit to you.

With all good wishes,

As ever,

Cordially yours,

J. R. Smallwood

Translation

OFFICE OF THE PRIME MINISTER
Province of Quebec

Quebec, February 22, 1950

Right Hon. Louis S. St. Laurent, K.C., P.C.,
Prime Minister of Canada,
Ottawa.

Mr. Prime Minister:

The very important additional work necessitated by the session of the legislature of Quebec has prevented me from writing you before today on the subject of your letter of the 6th of February, concerning the new Canadian intergovernmental conference in September or October next.

I wrote you December 14 last:

"The government of the province of Quebec is always pleased to co-operate in the pursuit of the provinces' and the country's welfare and prosperity, on a basis of fairness and within the framework of constitutionality.

"The Ottawa conferences obviously involve a considerable amount of trouble and inconvenience for provincial authorities. Nevertheless we accept that with pleasure, when it results in greater prosperity and progress for the Canadian confederation and for the provinces of which it consists and which have given it birth."

In your letter you say:

"But there are other problems of interest to both the federal and the provincial authorities. It is with a view to discussing these problems that I made my proposal of a general conference next fall."

Do you not believe, Mr. Prime Minister, that it would be opportune to proceed in a way that would not complicate or delay the solving of our constitutional problems? In our humble opinion the multiplicity of conferences could result in making the situation more difficult.

Assuredly, apart from the constitutional questions which were the object of the conference in January, and the vital questions mentioned in the letter which I wrote to you on the 1st of February, there are numerous other problems in this connection. To mention just a few—and this is obviously not complete—there are the problems relating to the exclusive rights of the provinces in the matter of insurance, unemployment, radio broadcasting, etc., etc.

Are you of the opinion, Mr. Prime Minister, that it would be practicable to consider all these problems together? Don't you think that we should first study and decide the fundamental questions in respect to the rights of the federal authorities and provincial authorities in fiscal matters? It seems to us necessary to establish first in a precise and incontestable manner the fiscal powers of each authority, that is to say, our means of action and possibilities of realization.

You may rest assured, Mr. Prime Minister, that it is the sincere desire of the government of the province of Quebec to co-operate diligently and in a friendly way in the study and the settlement of all these problems on a just and constitutional basis.

It is our firm conviction that these problems ought to be studied and decided without any partisan approach. It is our most ardent wish, respectful of the rights of all, to co-operate for the progress and prosperity of Canada and of the provinces, and of ours in particular.

The cordial invitation of the government of Quebec to hold these conferences in the old capital applies to each and every one of them.

Appendix

Accept, Mr. Prime Minister, our sincere greetings and the assurance of our complete willingness to do everything possible to solve these various problems in a friendly, just and constitutional way.

M. L. Duplessis

Translation

OFFICE OF THE PRIME MINISTER
Canada

Ottawa, February 28, 1950

Hon. Maurice L. Duplessis, M.L.A.,
Premier of the Province of Quebec,
Quebec, Que.

My dear Premier:

I have received your letter of the 22nd of February with further reference to the conference between the federal and provincial governments proposed for next September or October.

The federal government is, like you and your colleagues, convinced that it would not be desirable to complicate or delay the solution of our constitutional problems. We believe, however, that the procedure agreed to at the conference in January constitutes an important step in that direction. We have no desire for a multiplicity of conferences, but, like several of the provincial governments, we are of the opinion that there exist many other problems which require consideration as soon as possible.

As for the particular subjects mentioned in your letter, namely, insurance, unemployment and radio broadcasting, the federal government would certainly have no objection to their being placed on the agenda of the proposed conference, if that is generally desired by the provincial governments. We hope, however, that the question of unemployment will not assume proportions which will make it bulk very large at that time.

It is obvious that any general conference would inevitably be primarily concerned with fiscal questions. While the federal government does not see any possibility of any definite renunciation of constitutional rights in fiscal matters, we do feel that there is plenty of scope for practical workable agreements based on a general desire for co-operation.

In conclusion I may say that we fully share the conviction expressed in your letter that these problems should be studied and decided without the intervention of any partisan considerations.

Louis S. St. Laurent

THE PREMIER
New Brunswick

Fredericton, February 23, 1950

Right Hon. Louis St. Laurent,
Prime Minister of Canada,
Ottawa, Canada.

Dear Mr. Prime Minister:

On January 27 you wrote regarding the proposed dominion-provincial conference suggested for the autumn of this year to discuss general questions of common concern to the provincial and the federal governments and inquiring as to any suggestions we might care to advance for a tentative agenda. This letter was acknowledged on January 31 by my secretary in my absence from Canada.

Since my return I have given thought to this matter and it is my present intention to direct a study by our appropriate departments to the end that this government may shortly advance suggestions in this connection.

I shall be in further communication with you with reference to it shortly.

Yours sincerely,
John B. McNair

HOUSE OF COMMONS

Wednesday, March 8, 1950

The house met at three o'clock.

HOUSE OF COMMONS

SUGGESTED CHANGE IN PRAYER AT OPENING OF DAILY SITTING

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, on a question of privilege, I wish to draw your attention to a matter connected with the House of Commons. I submit that the third paragraph of the prayers of the house is outmoded and not in keeping with the present constitutional status of Canada; nor does it express the intention of members of the House of Commons who wish to include in their prayers all the sovereign states of the commonwealth. Therefore I suggest that the paragraph should be redrafted.

QUEBEC HANDICRAFTS

EXHIBITION IN OTTAWA—INVITATION TO MEMBERS OF HOUSE AND PRESS GALLERY

Mr. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, the members of the house and our friends the members of the press gallery have received an invitation to visit the Quebec handicraft exhibition at the Chateau Laurier tonight at 8.30. I may assure everyone that he will be received with the legendary French-Canadian hospitality. The exhibition itself is a marvel of art and good taste, and is displayed here in Ottawa to show all Canada the refinement our people have attained in the craftsmanship handed down through generations by our forefathers.

As member for Montmagny-L'Islet I am proud to draw your special attention to one of the finest displays: the wood carvings of the world famous Bourgaults of St. Jean Port Joli.

WHEAT

REFERENCE TO ARTICLE IN "GLOBE AND MAIL" OF MARCH 7

Mr. J. A. Ross (Souris): Mr. Speaker, on a question of privilege, in the *Globe and Mail* of Tuesday, March 7, page 3, appears an article headed "P.C.'s likely to oppose rise in wheat price". The first paragraph of the article reads:

> Progressive Conservatives may be laying the groundwork for an attack on the government's pre-election policy of increasing the initial price paid to western wheat farmers from $1.55 a bushel to $1.75 a bushel, effective April 1, 1949.

I do not think there is any doubt that I have been persistent in pointing out to the house the very great loss suffered by the wheat producers as a result of this wheat policy, and that to some extent the loss should be made good by the government.

Some hon. Members: Question.

Mr. Speaker: Order.

Mr. Ross (Souris): I beg your pardon?

Mr. Speaker: I am asking the house to come to order so that the hon. member for Souris may make his statement without interruption.

Mr. Ross (Souris): Thank you, Mr. Speaker. I shall not quote all the article, because it is lengthy. It is based upon a question I asked the Minister of Trade and Commerce (Mr. Howe) the other day, whether the last report of the wheat board would be referred to the committee on agriculture for further study.

I wish personally to refute the interpretation set forth in the heading of this article. In fairness to the reporter, Mr. Warren Baldwin, may I say that as the report is written I do not think it called for the heading it bears.

COMBINES INVESTIGATION ACT

MATCH INDUSTRY—ANNOUNCEMENT AS TO PROSECUTION

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to refer to the statement I made in the house on February 23 to the effect that the match report under the Combines Investigation Act had been submitted to outside counsel for an opinion as to whether prosecution is warranted. I said then that the opinion was expected in the near future. That opinion has now been received, and it is to the effect that prosecution is warranted. Mr. John G. Ahern, K.C., of Montreal has been retained as senior counsel on behalf of the Attorney General of Canada, and has been instructed to proceed with the prosecution. He will have associated with him Mr. Guy Favreau, barrister, also of Montreal.

Mr. Smith (Calgary West): Is that the same Mr. Ahern who is referred to in the original report?

Mr. Garson: We submitted the report to Mr. Ahern for an opinion as to whether prosecution was warranted. In retaining him to

prosecute we are following what has always been the practice in submitting a report to counsel for an opinion as to whether prosecution is warranted, and, if he says it is, he is usually retained.

Mr. Drew: You mean you sometimes do.

Mr. Smith (Calgary West): I read in the report by Mr. McGregor that he is greatly indebted to Mr. Ahern, who had conducted the investigation. Is it the same Mr. Ahern who conducted the investigation, reported to the commissioner, had the report referred to him, said it was all right to go ahead, and then is retained? You have only the one man throughout the whole picture.

Mr. Garson: Yes.

Mr. Claxton: Do you think there should be four or five?

INCOME TAX

FARMERS—CHANGES IN METHOD OF COMPUTING DEPRECIATION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of National Revenue with respect to order in council 458, passed on January 31, 1950, making certain changes in computing depreciation. In view of the fact that this order in council was made effective for 1949 taxation and may cause confusion among farmers who, in accordance with the law, filed their interim returns on December 31, will the minister consider delaying its coming into effect for this year?

Hon. R. W. Mayhew (Minister of Fisheries): The Minister of National Revenue is not in his seat today, but I shall have this matter brought to his attention and he can answer tomorrow.

ROYAL CANADIAN MOUNTED POLICE

REMOVAL OF PATROL VESSEL "ST. ROCH" FROM ESQUIMALT

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I direct a question to the Minister of Justice with reference to the R.C.M.P. patrol vessel *St. Roch*? Is it the intention to remove this patrol vessel from Esquimalt, and, if so, will she be replaced by another vessel?

Hon. Stuart S. Garson (Minister of Justice): The answer to the hon. member's first question is that the *St. Roch* has been under care and maintenance at Esquimalt since she came out of the western Arctic two years ago. As she can be used to advantage on the east coast this summer, it is the intention to remove her to the east coast for that purpose.

[Mr. Garson.]

The answer to the second question is that the matter is under consideration.

NATIONAL FILM BOARD

QUESTION AS TO REPORT ON MANAGEMENT ACTIVITIES, ETC.

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I should like to direct a question to the Minister of Resources and Development. At the last session the minister stated that the government had engaged a business management firm to check the management activities, etc., of the national film board. Has that firm completed its report, and, if so, is the minister going to table the report in the house?

Hon. Robert H. Winters (Minister of Resources and Development): The survey by the management firm has been completed but the report has not yet been submitted. I expect that when it is received it will be tabled in the house.

Mr. Fraser: Does the minister know when the report will be made? We should like to have it before the estimates of that department come up.

Mr. Winters: The survey was completed about a week ago, and I do not know how long it takes a management firm to write a report of that kind. I would expect that it will be available within a period of say two weeks.

Mr. Fraser: And the minister will table it?

Mr. Claxton: He did not say that at all.

Mr. Winters: I said that I expected it would be tabled.

PIT PROPS

REPORT AS TO PURCHASES BY TURKEY IN CANADA WITH U. S. FUNDS

On the orders of the day:

Mr. C. T. Richard (Gloucester): I should like to direct a question to the Minister of Trade and Commerce. A report was issued yesterday that Turkey was seeking permission to spend United States dollars for the purchase of pit props in eastern Canada. Has the minister any pronouncement to make on the subject?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have not seen the report referred to. Turkey has been a purchaser of pit props in the past. Negotiations with that country have been in progress, and probably the report is correct.

DOMINION ELECTIONS

REPORT ON TRIAL OF ANNAPOLIS-KINGS ELECTION PETITION—QUESTION AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Prime Minister. In view of the fact that the report on the Annapolis-Kings election, tabled in the house by Mr. Speaker on March 6, included recommendations to the House of Commons that changes be made in the elections act or in the elections regulations, may I ask whether consideration is being given to setting up a special committee on the elections act and referring that report to such a committee?

Right Hon. L. S. St. Laurent (Prime Minister): Consideration had been given to the setting up of a committee on the elections act even before this report was received. The house will remember that there were special provisions in the terms of union with Newfoundland which enabled the chief electoral officer to adapt the Dominion Elections Act to actual conditions in Newfoundland for the first general election. But the chief electoral officer has not that power now that the general election has taken place, and in order to make the elections act fit the situation in Newfoundland the chief electoral officer has advised me that amendments will be required. My colleagues and I are waiting for further recommendations from him for the purpose of having the material submitted to a committee to consider the elections act.

Mr. Knowles: Will this report be referred to that committee as well?

Mr. St. Laurent: The chief electoral officer has told me that the practice is for him to make recommendations, and in addition to submit all representations made to him by any interested parties.

Mr. Higgins: Arising out of the answer of the Prime Minister to the hon. member for Winnipeg North Centre, I should like to ask him whether the provisions of the Dominion Elections Act are legally enforceable in Newfoundland.

Mr. St. Laurent: They have been declared to be a part of the laws of Canada which apply to the new province of Newfoundland, but there are some expressions in the Dominion Elections Act for which no application can be found in the province of Newfoundland.

WHEAT

INQUIRY AS TO PAYMENT ON SALES, 1945 TO 1949

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce, arising out of a number of representations and resolutions which have been received from farmers' organizations in the western provinces on the question whether there will be any further payment this spring by the wheat board on account of the sales of wheat during the years 1945 to 1949. Is the minister in position to say whether consideration has been given by the board to that matter in particular?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The matter is under study, but there are difficulties. The number of cheques involved is something like 1,200,000, as it involves the payments on five crops. The cost of making the interim payments is estimated by the board to be about $500,000. I have not been able to refer the matter to my colleagues to obtain a decision as to whether or not payment should be made under these circumstances.

Mr. Diefenbaker: If it is possible to do so before spring work commences, I know it would be appreciated.

CANADIAN NATIONAL RAILWAYS

COLLISION OF EXPRESS TRAINS BETWEEN MONTREAL AND HALIFAX

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, a few days ago I directed a question to the Minister of Transport about a collision between two express trains on the main line of the Canadian National Railways between Montreal and Halifax. The minister said he would have the answer in a few days.

Hon. Lionel Chevrier (Minister of Transport): I asked the officials of the Canadian National Railways for a report. I am sorry I have not yet received it, but when I do I shall be glad to give the information to the hon. member.

SHIPPING OF POTATOES AND TURNIPS—SUPPLY OF REEFER CARS IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I desire to direct an urgent question to the Minister of Transport. It arises out of long-distance telephone calls from Charlottetown and Toronto which I received just

before coming into the house. Will the minister advise, instruct and demand that the Canadian National Railways provide reefer cars for the shipment of potatoes and turnips from Prince Edward Island? The shortage of reefer cars at the present time is the greatest they have experienced in years.

Hon. Lionel Chevrier (Minister of Transport): I shall be glad to make a survey of the position in Prince Edward Island so far as reefer cars are concerned, and make a statement to the house.

HOUSING

REPORT AS TO ONTARIO PLAN FOR CONSTRUCTION AND SALE UNDER DOMINION-PROVINCIAL AGREEMENT

On the orders of the day:

Mr. J. W. Noseworthy (York South): I wish to direct a question to the Minister of Resources and Development. Has there been any discussion between his department and the provincial authorities at Queen's Park, Toronto, as to the housing policy announced there two days ago, namely, that of building and selling houses under a joint dominion-provincial agreement with no down payment? Has that policy the approval of the federal government?

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for giving me notice of his question. In yesterday morning's papers I saw a Canadian Press report in which Premier Frost is reported to have said it was possible that no down payment would be required. I am not aware of the context from which Premier Frost's remarks were taken, and I do not think it is safe or fair to interpret them as a statement of policy at this stage.

INQUIRY FOR RETURNS

IRRIGATION, PRAIRIE PROVINCES—PRAIRIE FARM REHABILITATION, SASKATCHEWAN

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Secretary of State. On October 31 last two motions for production of papers were passed in my name, and on December 7 last an order for return was passed in my name. None of these documents has yet been produced. Will the minister look into the matter in order that they may be brought down at an early day?

Hon. F. G. Bradley (Secretary of State): I shall be glad to do so.

[Mr. McLure.]

HOUSE OF COMMONS

CLOCKS IN CORRIDORS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to ask the Minister of Public Works if he will be kind enough to have the clocks in the corridors of the House of Commons attended to. Some of them are out as much as half an hour.

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, the moment I am through with my work in the house I will attend to the clocks.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, March 6, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. W. G. Blair (Lanark): Mr. Speaker, the debate on the address in reply to the speech from the throne provides an opportunity for members to bring before parliament conditions affecting the welfare of the ridings which they represent. The constituency of Lanark, which I have the honour to represent, has for years been the centre of the cheese industry in the Dominion of Canada. Because of the type of land it is well suited for pasturage, and there are large areas of fertile tillable ground for field crops. The county of Lanark had its place in the establishment of the cheese trade with Great Britain as far back as sixty years ago, and especially Cheddar cheese. Near the Canadian Pacific Railway station in Perth there is a monument commemorating the fact that the largest cheese ever made in the world was manufactured there. The Minister of Agriculture (Mr. Gardiner) will remember this, because he was present and officially unveiled the monument some years ago.

The story of the mammoth cheese is of interest in view of our trade relations with Great Britain, especially as to the export market for Cheddar cheese. I am going to tell the house the story of how the export trade in Cheddar cheese was first initiated with Great Britain. The mammoth cheese was originally made for exhibition at the Chicago world's fair of 1893. Officials of the dairy branch of the Department of Agriculture co-operated with the Lanark county cheesemakers in producing it. A great press

of steel boiler plate was erected to accommodate the casing of the cheese. The casing was nine feet in diameter, six feet high and weighed 3,000 pounds. The estimated weight of the cheese was 22,000 pounds, and 272,000 pounds of milk were used in its manufacture. The total weight of the cheese with its casing and cover was thirteen tons.

The cheese was kept during the winter at a constant temperature of 40 degrees Fahrenheit. In order to arrange for its exhibition at the Chicago world's fair it was necessary to build a special stand, and a special truck had to be built for hauling. The truck was a massive affair specially designed to increase the impression of size made by the cheese. When the time came to move the cheese to Chicago it was loaded on a flat car, and another car carried four 1,000-pound cheeses made in the county of Glengarry. The Canadian Pacific Railway Company provided a special train. When the mammoth cheese arrived at the Chicago exhibition it caused some excitement by crashing through the floor, which was too weak for the concentrated weight of the cheese. This caused so much publicity that newspapers gave it more attention than any of the other exhibits at the fair. At the same time British and European papers carried illustrated descriptions of the cheese. The publicity was an excellent thing for the Canadian cheese trade. There was no refrigeration in the year 1893, and the cheese underwent a severe test, because it was exhibited during a whole summer under a glass roof. At times the temperature in the room in which it was exhibited was as high as 93 degrees; nevertheless the cheese scored high enough points at the fair to secure the exposition diploma and bronze medal. Dairy experts praised its quality. However, a rumour spread that the cheese had gone bad; and Sir Thomas Lipton, who had purchased it, repudiated his contract. It was purchased by a caterer in London and shipped to Britain. When it arrived at the London dock, special permission had to be obtained from the London city council to move it through the streets to the warehouse from the point where it was unloaded. Six heavy draft horses were used to draw the special truck with its load of cheese; and the fact that the London authorities were afraid it might break through the streets when being drawn from the dock added a great deal to the publicity. When it was cut up, the high commissioner for Canada and many other notables were present. A section of the cheese was sent back to Ottawa in May of that year, and samples were widely distributed, one being given to each member of the House of Commons and the Senate.

While this story of the world's largest cheese is very interesting, it should be noted that it was the advertising and publicity gained by this mammoth cheese, which was made in the county of Lanark, that were responsible for the beginning of the cheese export trade to Britain; and this trade has been carried on successfully since 1893. In large measure eastern Ontario has been the centre of this trade, and the manufacture of cheese is one of its most important industries.

The cheese industry means dollars for people in eastern Ontario. In 1904 we exported to Britain 253 million pounds of cheese, which returned us $21 million. The price was low; but the price obtained for that cheese was on a parity with the prices of other commodities. In those days cheese was the main export outlet for our surplus milk. During the last war another outlet was developed; the dry milk market offered competition to convenient local cheese factories. Now, however, cheese is our only dairy export surplus, and cheese fixes the prices of all other dairy products. If the floor price for butter is fixed at 53 cents, as is reported in the press, the cream producer will get a net return of about $1.80 per hundred pounds for 3·4 per cent milk. With cheese at 28 cents a pound, and allowing four cents for manufacturing, the net return to the farmer will be approximately $2.15 per hundredweight. This is a price that is below the cost of production.

Some market for our surplus cheese must be found which will pay the farmer a reasonable profit. Britain can use more Canadian Cheddar cheese than we are selling this year under our contract for 80 million pounds; and again I point out that in 1904 we exported to Britain 253 million pounds of cheese. The British market for Cheddar cheese, which has existed for sixty years, should be maintained, since it has been in the past and will be in the future our best market. This market has been lost largely through competition from other countries. It is obvious that if Britain is to buy more of our cheese we shall have to buy more from Britain; but our imports from Britain should be diversified in order not to interfere with our own industries.

Not only do I wish to stress the importance of maintaining our cheese market in the United Kingdom. I want to point out that we could increase the sale in the domestic market by putting up a packet of good Cheddar cheese for home consumption. We

could also increase our domestic market by making five and ten pound cheeses aged for local consumption. The possibility of selling more cheese in the domestic market was recently shown through a survey conducted by the Department of National Health and Welfare, which indicated that thirty-five per cent of the homes of this country never serve cheese. The Canadian consumption of cheese is approximately four pounds per capitae. If we could increase this consumption to seven pounds per capita, while we would still be among the lowest consumers of cheese in the world, home consumption would amount to more than 90 million pounds. An increase in the per capita consumption of cheese to seven pounds per year would mean just over two ounces per person per week; or, if you wish to put the figures on a more practical basis, it would mean two cheese sandwiches per person per week. National cheese week, held last November, proved that the consumption of our product can be boosted by sales promotion efforts; according to the records of one large company, cheese sales increased in some centres by 100, 200 and 300 per cent. The beneficial effects of this campaign during national cheese week were shown in the increased sales of cheese after the official campaign was over.

If steps could be taken to promote sales of fluid milk back to the per capita level of 1945, it would be beneficial to the whole industry. In that year the per capita consumption of milk and cream reached the figure of 479 pounds. Since 1945, however, it has dropped steadily, and in 1949 was down to 419 pounds. If we could bring about that increase in the per capita consumption of fluid milk in 1950 our surplus of dairy products for which we would have to find an export market would be down from seven per cent to three per cent of total milk production. If we could increase milk consumption it would benefit not only the fluid milk market but also the market for other dairy products. Boosting our domestic sales to a high level would appear to be a sound policy, and would cut down our export surpluses.

There is another factor entering into the cheese business which should be given consideration by the government. The dry cheese exported to the United Kingdom market today requires more milk per pound to manufacture. For the past ten years our cheese graders have been asking for a drier cheese for export. In my opinion the United Kingdom is demanding this dry cheese in order to get more cheese and less moisture. A considerable portion of the cheese used in the United Kingdom is processed; and it is quite understandable that the drier the cheese the greater percentage of profit to the processor. In Wisconsin cheese is purchased on the moisture content; the price is fixed at approximately one cent per pound under and over the standard of moisture as fixed by state law. The amount of milk required to produce a pound of cheese has increased during the past ten or twelve years by almost one pound. Formerly 11¼ pounds of milk made a pound of cheese, but in 1949 a pound of premium cheese required 12 pounds of milk or more. Therefore in the matter of the price received for our cheese we must also consider the extra pound of milk now required to make a pound of cheese.

Mastitis and Bang's disease forced New Zealand to pasteurize her milk in order to make cheese; and in the pasteurizing process they lost the flavour which now exists in Canadian Cheddar cheese and which is very popular in the United Kingdom. Pasteurization has added another manufacturing cost. The only reason we are able to meet the competition of New Zealand, where they have year round pastures, is that their manufacturing costs are higher than ours. Because of the climate in New Zealand, cattle are able to pasture twelve months in the year, while in this country there is a period of some months during which it is necessary to do stable feeding. The health of animals branch of the Department of Agriculture should give consideration to what has happened in New Zealand as a result of this disease. Such a situation might readily develop in this country, and we might be forced into the position of pasteurizing our milk in order to make cheese if we do not take some action to control mastitis.

To overcome the organisms which exist in our cheese, a storage period of 90 days is necessary. Already the prevalence of mastitis in dairy districts in Ontario has reached serious proportions. When the cheese leaves the presses it contains lactic acid. There is also present gas-producing bacteria and disease-producing germs, in addition to the rennet, which sets up a digestive process in the cheese. If our cheese were stored from 8 to 10 days at higher temperatures than at present, it would allow the rennet and lactic acid to overcome other disease-producing bacteria, and would prevent our best cheese from going fruity and rancid after three months in storage.

I suggest that the question of mastitis should be given serious consideration by the Department of Agriculture, not only because of its effect on the milk used in the dairy business and the production of cheese, but also because of the widespread destruction caused

to high-grade dairy animals. With the improvement in breeding and the development of high-grade registered stock, it seems that these animals become more susceptible to the disease and show a lack of resistance. If we are to continue to develop high-grade stock, particularly for our dairy farmers, it will be necessary to give every assistance to breeders and owners in checking the ravages of these diseases.

In the month of January the farmers of Lanark county held a protest meeting in the town of Perth. This meeting was well attended by representative farmers of all the various branches of agriculture common to the district. They were deeply concerned over the falling prices of bacon, eggs, and dairy products, as well as the situation in our overseas markets. These farmers were an unusually fine group of people, and in all fairness I must say their requests were most reasonable. They recognized that agriculture is Canada's basic industry. When agriculture is prosperous, the rest of Canada is prosperous. They were not asking for high and unwarranted prices for their agricultural products, but only for a price which would return to them a reasonable profit. This group realized that if the farmers had to buy goods at a higher price level than that set for the products of their farm, it would mean not only a reduction in buying power for them but a general loss of agricultural prosperity. They are aware of the fact that lower prices for agricultural products mean increased unemployment and reduced buying power for those products which are already becoming surplus on the market. They were asking only for a balanced economy and parity prices.

The resolutions passed at that meeting contained requests that agricultural prices be supported in keeping with the price of manufactured goods. One resolution contained the suggestion that it was necessary to receive 42 cents a dozen for eggs in order to cover the cost of production today and called on the government to establish a floor price of 42 cents. The meeting also passed resolutions asking for a bacon floor price of 36 cents per pound for grade A Wiltshire sides at the seaboard, and a price of 30 cents per pound f.o.b. factory for Cheddar cheese.

I have stressed the importance of cheese to the county of Lanark, and I again point out that it is essential that we maintain our traditional market for Cheddar cheese in Britain. It is essential that the farmer receive a price sufficient to compensate him for his labour and investment.

With regard to the question of egg and pork production, the meeting felt that these producers were in the same position as the cheese producers. The cheese industry and hog raising have, in the past, been coupled together. Whey, as a by-product of cheese, has a food value for hogs which helps to cut down feeding costs. It is estimated that whey has a feeding value of one-tenth the value of hog feeding concentrates, which cost as high as $80 per ton. I may say that there is an export market for whey from certain parts of eastern Ontario. It is shipped to the United States and is used in the manufacture of penicillin.

There has been a great deal of misunderstanding about the agricultural situation among people who are not conversant with conditions. While we are proud of our industrial advancement and growth, we must remember that agriculture is the basic industry of Canada. It is an industry in which the farmers are not limited to a certain number of hours per day or per week, but is one of constant occupation. Not only is it an occupation of long hours and arduous toil, but any successful farmer must make investments in machinery and in the general upkeep of his farm.

I have stated that, because of the diseases which affect livestock, this branch of farming has now become a somewhat hazardous occupation from a financial point of view. During the war farmers were encouraged to increase production in every way. When controls were introduced, it was generally felt that the prices of agricultural commodities had not reached the level of other commodities in Canada. Farmers were advised to increase production. It was not easy to obtain farm labour at that period. Industry was geared to a high pitch in the production of war materials, and wages were generally on a high scale.

In return for higher production, the government of Canada promised the farmer that, following the war, adequate prices for farm products would be maintained. One clause in the Agricultural Prices Support Act, 1944, reads in part:

> . . . shall endeavour to ensure adequate and stable returns for agriculture . . . and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

It will be recalled that the former prime minister, Mr. Mackenzie King, made an announcement regarding floor prices for farm products. In a national broadcast on December 4, 1943, Mr. King said:

> I wish tonight to thank the famers of Canada for their magnificent contribution to the battle of production. I wish as well to appeal to them to

continue to help hold the front line against inflation by continuing to support the price ceiling.

If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to insure them against an agricultural depression after the war. As an essential part of its post-war policy, the government intends to ask parliament, at the next session, to place a floor under the prices of the main farm commodities.

In the speech from the throne at the prorogation of parliament on January 31, 1945, it was stated:

As a further safeguard of a basic standard of living, provision was made at the present session for floors under the prices of farm and fish products. These measures insure two great primary industries against the hazard of a collapse of markets or prices after the war.

Farmers now find themselves in a position where the cost of production has continued to rise, but the prices of agricultural products have not kept pace with that rise. Cheese producers do not feel that prices existing at the present time permit the farmer a return which is sufficient to pay for the cost of production and allow him a profit in keeping with his labour and his investment on his farm. Any decline in farm income will mean that there will be a reduction in the purchase of the products of industry, and it will affect all workers in Canada as regards wages or work. While consumers have prospects of lower prices in dairy products, it should be pointed out that to a larger degree wages received by industrial workers are dependent upon our domestic markets to farmers. If the purchasing power of farmers is reduced, then the industrial workers will be the first to experience hardship. If a better understanding could be reached, and if the difficulties of the agricultural industry could be recognized by people in other walks of life, it would tend to the solution of some of the problems that the farmers of today are experiencing. The matter of adequate prices for agricultural products, giving fair return for labour and investments, is something which affects the whole economy of the nation.

Right Hon. J. G. Gardiner (Minister of Agriculture): The debate on the address, Mr. Speaker, has been continuing now for some time and it is not my intention this afternoon to attempt, in forty minutes, to answer all that may have been said with reference to the activities of the Department of Agriculture. I wish, however, to reply with regard to two or three matters which were referred to, some of them by the last speaker and others by previous speakers on the opposition side of the house.

Before going on to deal with the general charges which have been made with regard to the activities of myself as Minister of Agriculture before the election, during it and since, I should like to join with all those who have commented upon the speeches of the mover and seconder of the address. It goes without saying that I was much interested in the speech of the mover owing to a fact of which probably not many members of this house are aware. When I went into the legislature of Saskatchewan in 1914 my seatmate was one of those fine Scandinavian immigrants that we were getting into western Canada about that time, some of them coming direct and some of them coming by way of the United States. That particular seatmate was the grandfather of the present hon. member for Kindersley (Mr. Larson). I know that all those who are representative of that fine race of people that we had coming into western Canada at that time will be pleased with the fine showing he made at the opening of this session.

I was not able to follow the speech of the seconder owing to the fact that I do not speak any language but English; and some people think I do not speak that language well. But I find that the translation reads just as well as the part of it which was in English and which was of a high character. I wish to congratulate both of these young members in the house upon the showing they made.

The two matters to which I wish to refer directly and which were introduced into the debate at an early period, one by the hon. member for Souris (Mr. Ross) and the other by the hon. member for Melfort (Mr. Wright), are of interest particularly to the people of western Canada. I therefore desire at the very beginning to clear away some impressions that might have been produced by statements which were made.

I recall that when the hon. member for Souris was speaking he quoted an editorial from the Winnipeg *Free Press*. I do not know that he subscribed to what the editorial said, but nevertheless he read it to this house; and a member is supposed to subscribe to everything he reads to the house, particularly when it is critical of government policy.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Do you?

Mr. Gardiner: Yes, I subscribe to most things that I read to the house, unless I declare at the time that I am in disagreement with what they say. Sometimes I am.

The statement was to the effect that the wheat which was exchanged this year from the 140 million bushels which we were required to deliver under the wheat contract, in order to induce the British to purchase from Canada pork products which they otherwise would not have purchased, to induce them to purchase lumber or wood products

which they otherwise would not have purchased, or to induce them to purchase fish which they otherwise would probably not have purchased, would likely result in a loss to the wheat growers of western Canada. What I want to say is what the Prime Minister (Mr. St. Laurent) said to the farm delegation when that point was raised at the time the Canadian Federation of Agriculture met us a short time ago just before the opening of the session. When the remark was being made the other day the Prime Minister asked me if I intended to speak—and I said that I probably would—and suggested that that matter ought to be answered in the house just as he answered it to the farmers.

There is another reason that I am referring to it. It has not particularly to do with the affairs of my department; it has to do with the Department of Trade and Commerce. But the Minister of Trade and Commerce (Mr. Howe) was not here at the time that the farm delegation met the government and he therefore was not a party to the discussion. But he was here when discussion took place as to whether or not the exchange would be made. What I wish to say to this house, and through this house to the country, is that the Prime Minister stated to the farmers that it was decided during the first discussion that every dollar the wheat pool was entitled to as a result of the British agreement would be paid into the pool by the end of this crop year, on the basis on which the British agreement called for the deliveries, and that therefore there would be no possibility whatsoever of any loss being taken by the farmers of western Canada as a result of that exchange. The money will be paid into the pool by the government of Canada and any loss which is taken—if any loss is taken; and we do not expect that there will be any—would naturally be taken by the treasury or by a settlement that we get from the British under the "have regard to" clause rather than by the farmers themselves. I thought it was necessary that that matter should be cleared away at this time in order that we may avoid discussion of the idea in the future.

The other question, which was raised by the hon. member for Melfort and which I think should be cleared up, is again to an extent a question which is of direct concern to the Minister of Trade and Commerce. He has stated to the house since that question was raised that it is his intention, if it is the desire of the house, to have the report of the wheat board referred to the committee on agriculture. Therefore it is unnecessary for me to discuss the matter at further length, more than to say this, that when the wheat board was asked in 1948 to pay out in 1948 all of the money which was then in the treasury of the wheat board, as a result of the trading of 1945, 1946 and 1947, every member who spoke from the opposition side of the house was insistent that that money be paid out. As a matter of fact, as I recall it, the hon. member for Lake Centre (Mr. Diefenbaker), back at the time when we were discussing what the initial price would be—the price of $1.35, back in 1946 and 1947—insisted, and a motion was moved in the house, receiving the support of all the opposition, that that advance payment ought to be $1.55, the claim being that the government had no right to keep in the treasury money which actually belonged to the farmers of western Canada, rather than to hold it for final payment at a later time.

So in that year three payments were made, 20 cents on 1945, 20 cents on 1946, and 20 cents on 1947, which resulted in a very considerable sum of money. In other words there was not any great carry-over from that year into the next one.

Then, in the fall of 1948, after one of the most difficult crop failures western Canada had ever experienced, one as great as any we had had in the thirties—with the possible exception of 1931 and 1937—a crop failure which matched the failures of other years, and which had been preceded by a crop failure in the preceding year, the farmers of western Canada, as was indicated the other day by a resolution read into the record by the hon. member for Qu'Appelle (Mr. Dewar), indicated that they desired to have a 20-cent payment made again, and that such 20-cent payment should be made before seeding—not after.

In order to make sure that I was right the other night when I raised the question while the hon. member for Melfort (Mr. Wright) was speaking, I caused a hurried look to be taken through my own files and found it contained many resolutions such as those I now hold in my hand, and along the lines of the one which was read into the record the other day.

These are not resolutions passed by individuals; they are resolutions of municipal councils, representing the views of farmers in the municipality. All I need to do, in order to indicate their widespread nature, referring even to this limited number, this half dozen I have in my hand, is to tell the house that the first one is from municipality 220 in Saskatchewan and the second from municipality No. 221. Those two are side by side. This third one is from municipality No. 141, a long distance removed from the first two. This fourth one is from municipality No. 108, and the fifth from municipality No. 315.

Mr. Johnston: What are the dates?

Mr. Gardiner: They are dated November 4, 1948, December 7, 1948, January 11, 1949, January 8, 1949, February 28, 1949, and December 29, 1948. As a matter of fact, with the exception of those in January and February of 1949, they are all in the latter part of 1948.

What is the nature of these resolutions? Well, they are not all in the same wording, but all have a similar meaning. Here is the one from municipality 108, directed to me and stating:

> That we ask the federal government to use their influence in having the 20 cents per bushel payment on the 1945, 1946 and 1947 wheat crop paid in the areas which have suffered from drought at the earliest possible date and that a copy of this resolution be sent to the Hon. J. G. Gardiner, federal Minister of Agriculture and to the Canadian wheat board.

Those resolutions were passed throughout the country. I say this only in reply to the suggestion made the other day by the hon. member for Melfort that the farmers did not ask for 20 cents. They did ask for 20 cents. They put it in resolutions, asking that 20 cents should be paid.

There is only one way in which money can be secured to handle wheat throughout the wheat crop year, when payment was made in the preceding year, and that is by borrowing at the bank. Ever since we have had a system of wheat board handling of wheat, we have had the provision whereby the board was to be in a position at all times to borrow money. There is no other way of carrying on from year to year. When the wheat starts to come into the elevators the farmer is to be paid his initial price. He is being paid this year on a basis of $1.75 per bushel. Previously he was paid on a basis of $1.55. Every bushel of wheat that was delivered into the elevators had to be paid for as soon as it was dumped into the elevators, and the money with which to pay for it was borrowed at that time.

The transaction goes on. The wheat is gradually moved to seaboard and then over to Europe, Great Britain or some other place. Until that wheat is actually disposed of and payments are made, financing must be done by that method—and always has been done by that method.

The effect of the complaint being made by those who do complain—and, so far as I know, they are all in this house, and in the other place—is that somebody did not guess exactly what the payment was going to amount to. In other words, in paying out $213 million, they found when they got to the end of July that they did not have quite as much cash proceeds from sales as they had borrowed at the bank in order to make the payments. My hon. friend's accusation in connection with this is that someone in the government—and I think I know as much about the wheat business as anyone in the government; I am sure, too, that my colleague the Minister of Trade and Commerce (Mr. Howe) knows just as much as I do about it—was in error. I venture to say that neither of us would claim that we could estimate the payments which were going to be made within some $4 million or $5 million of what the amount would actually be. Payment was made at 20 cents per bushel over a period of four years and, as was suggested a while ago, this time when payment is made it will be for five years.

That being so, we have no criticism to make of the hon. member for taking his cue from an hon. member in another place, and introducing it into this house. But we have been wondering why everyone stopped talking about it as soon as he did introduce it. I think probably he got good advice to the effect that there was no other way of doing the job, that if we were going to do it again we would have to do it in the same way and, since he wanted us to do it again, probably he had better keep quiet from now on. I think probably that is the answer to it, or the reasonable conclusion which could be drawn.

Those are the two or three matters which had been brought up and with which I wanted to deal. But there is another phase of the discussion which has taken form in this debate, and to which I think I should pay some attention. There appears to have been a great deal of worry in the minds of hon. members from the opposition side of the house on the question as to how we on this side of the house managed to get three-quarters of the membership of the House of Commons at the last election. They have been worried about it.

Mr. Cardiff: You are going into that again?

Mr. Gardiner: Yes, and probably you will wish you had not gone into it. Mr. Speaker, I have been in public life for almost thirty-six years, and while I am not very good at quoting Shakespeare or any of the great authorities on English, nevertheless I remember that somebody once wrote something like this: He who steals my purse, steals trash, but he who robs me of my good name, robs me of something which leaves me poor indeed.

I have always thought that under our democratic system of government there is only one way you can get elected more than twice. Sometimes you can get by once and sometimes you can get by twice by misleading the people, but you are never able to get by very often if you continue to mislead them.

I have managed to get by on twelve occasions. Therefore I am somewhat concerned when members of this house, beginning with the leader of the opposition (Mr. Drew) and following through to the leader of the C.C.F. group (Mr. Coldwell)—I do not think my friends of the Social Credit went quite so far although they seemed to be playing with the idea—say that we have the great representation that we have on this side of the house because we misrepresented, and that the greater part of that misrepresentation had been carried on by the Minister of Trade and Commerce (Mr. Howe) and by myself as Minister of Agriculture.

I have my own idea why we have so many members on this side of the house and why there are so few on the other side. I think if the Conservative party had talked more Conservatism in the last election they would have had more members. I think if the C.C.F. had not agreed so much with the Conservatives they would have had more members. In view of the campaign which they both conducted I was a little surprised that the Social Credit party did not have the largest group on the opposition side because after all they were talking a purer kind of Toryism than anybody else on the other side.

I think I should take the opposition over a little of the route they should have travelled if they were looking for votes. There is a publication in Canada which is considered to be a classic on the matter of trade by a man named Porritt and called, "Sixty Years of Protection in Canada". It contains a complete record up until a certain date of everything that happened having to do with the establishment of protection. One paragraph in that book establishes when and how and by what means the Conservative party adopted the policy which they followed for many years with regard to trade. The book quotes a speech by the grand old leader of the Conservative party, who by the way established the party in the beginning, Sir John A. Macdonald. This speech was delivered at Stanstead, Quebec, in 1877, prior to the election of 1878, and he said:

> Shall we not say Canada is for the Canadians, and protect our markets for ourselves.

A few moments ago when the last speaker said something like that I noticed that the hon. member for Lethbridge (Mr. Blackmore) said, "Hear, hear". Then Sir John went on to say:

> Shall we not say if we have a short crop, our own people shall consume it, and pay a fair price for it.

And again:

> We will say to the United States, "We were free traders. We took our cue from the mother country. We did not recognize the differences between the circumstances of an old country and a new one like ours. We will pay you the compliment of saying we were wrong and you were right; and we will do to you as you do to us."

That is the good old policy of the Tory party. That is the policy which our friends have in mind when they keep twitting the government on this side of the house with being too friendly with the United States. That policy is as old as the Tory party and was enunciated when the policies of that party were being laid down. But it will be said that that is a long time ago, that was in 1877. May I say that there has not been a Tory government elected in Canada during the whole history of our country on any other policy. Mr. Borden was elected on that policy in 1911. Mr. Bennett was elected on that policy in 1930. There never has been a Conservative government elected on any other policy.

A good many people who belonged to the Conservative party wondered during the last campaign why the Tory party took as their chief advocate George McCullagh of the *Globe and Mail*. I listened to a speech which he made over the radio. I had not heard his name announced as I began to listen in the middle of the speech. I remarked, "That fellow is certainly making a cracking good Liberal speech; who is he?" The members of my family said that they had not heard his name. I waited until he finished. Just before finishing, and after making a cracking good Liberal speech advocating many of the things which the Liberal party had been doing—trying to tell Liberals that they were not liberal enough—he finished up by saying, "Go out and vote for Mr. Drew and his policies."

That is not the way in which people in Canada are induced to vote. One must believe in something. One must go out and defend something. One must sell it to the people of this country. When any man speaks over the radio or on a platform and tells people that the best policy for them is the policy believed in by another party, they rush right out to the polls and vote for that party. There are a good many of us here who might not be here if something else had happened, although I am not too sure that we would not have been here anyhow.

Coming down to 1935 after Mr. Bennett had blasted his way into the markets of the world, what do we find he said? I quote from page 85 of *Hansard* of 1934 where Mr. Bennett is reported as follows:

> Where a market existed thirty years ago, there is none today; where one existed ten years ago,

there is none today. We are endeavouring to supply our own wants and other countries are doing the same.

In other words, there is not any possibility of saving this country by trade. Our C.C.F. friends, not to be outdone, had their leader get up at the next session and say, as reported on page 97 of *Hansard* of 1935:

I suggest that it is only as we get away from the idea that we must solve our problems by a larger measure of trade that we shall begin to set our feet on the road that will lead to a permanent solution of our economic problems.

The Prime Minister (Mr. Bennett) has well said that the open market is a thing of the past. I do not think he has quite so clearly realized that the world market, the expanding market, is also a thing of the past.

In other words, those people were in agreement in 1935. I may say also that the organizer for the Social Credit party agreed with them in a very few words when he said: 'Disregard all this nonsensical talk about trade and tariffs". We at least have them all on the one side of the house. There is not a very large group even when you count all who are sitting over there. The fact that they did all get on the one side of the house at that time may be one reason for our winning elections.

Bringing you down nearer to the present time I am amazed that during this session of parliament our friends have not carried out so far what they were boasting before they came here they were going to do. I had a good speech all ready for them, and I had to change it completely because they did not do what I thought they were going to do.

Mr. Harkness: It is too bad to disappoint you.

Mr. Gardiner: You did not disappoint me at all; you made it better. There is always a reason for everything that anyone does.

An hon. Member: You put your foot in it that time.

Mr. Gardiner: A short time ago we had a by-election in the province of Saskatchewan, and the government of that province thought I was so busy attending these great protest meetings in Ontario, one of which was referred to a few moments ago, that I could not possibly go out there. Therefore they said: We will have an election right away; we will run it on federal issues and we will defeat the provincial Liberal candidate who was running provincially but defeat him on federal issues. You can travel very fast these days and I managed to get out there all right. Just before I got there the hon. member for Lake Centre (Mr. Diefenbaker) made a speech, and here is what he said:

"The agricultural policies of Canada affect everyone and the agricultural future presents a dangerous

picture. Mr. Gardiner is responsible for those policies and I say that they are one of the main issues in this election." By virtue of his agreements Mr. Gardiner had assured farmers of future markets for their produce in the United Kingdom. That experiment in security, Mr. Diefenbaker said, had failed completely.

Then he goes on to say:

To support the Liberal candidate will be construed by the federal Liberal party as approval for its agricultural policies.

That was the Conservative party. Let us see now what the leader of the C.C.F. party (Mr. Coldwell) had to say at about the same time. He said:

"I am particularly anxious at this time to prevent the election of Liberal candidates, provincially and federally, because of the effect it would have on the Liberal administration at Ottawa. Of particular interest to this constituency," said Mr. Coldwell, "is the manner in which the Hon. James G. Gardiner and the federal government have failed to protect the interests of our agricultural producers. Our farmers have seen their markets disappearing and their incomes slashed."

You could not get words uttered by two men on two different platforms at two different times and without their having met—I do not think they did meet—more nearly similar than what was said on the one hand by the Conservative party and on the other by the C.C.F. Do you know what happened? We have run elections in that constituency for a long time. We won it once by nineteen votes and another time by twenty-nine votes. I think one of our highest majorities was a little over 400 votes. In that constituency they took the words of the hon. member for Lake Centre and they did not vote for the Conservative party. There were only 373 votes polled for the Conservative party in the whole constituency. The Conservatives came within nineteen votes of defeating the Liberals in that constituency on one occasion, and within twenty-nine votes of defeating them on another, and I know where the greater part of the votes went that they did not get this time. When they put the two together and added them all up we still had them trimmed by 132. I can understand why no one raises that issue any more. We have heard very little about it in the house during the present session.

Mr. Ross (Souris): Would it not be fair to refer to Mr. Tucker's statement that night?

Mr. Gardiner: Mr. Tucker's statement that night was all right. There are some Conservatives who follow good advice, and we did get some of them. That was the position in 1935 and the position in 1949. All I want to say about it is that from the time Sir John A. Macdonald made his speech at Stanstead, Quebec, in 1877 to the present day Conservative policy has been a policy opposed to trade as a solution for the problems of this

country, and the policy of the C.C.F. party as announced is the same. On the other hand, the policy of the Liberal party has been one of trade in order to improve the affairs of this country.

Mr. Hatfield: Free trade.

Mr. Gardiner: Therefore we have had good times when we have had a Liberal government in power, and we have had bad times when we have had a Conservative government in power.

Mr. Knowles: Did you forget to say "free trade"?

Mr. Gardiner: I have here a considerable file which proves that everything that has been said in criticism in this house by the opposition with regard to what I said before the election and since is wrong, but I want to say that it proves that the press is right. Whenever I say anything which hon. members on the other side of the house rise and say is not correct, then they say that I am condemning the press. I do not say anything of the kind. Everything in this file is correct. Everything in it quotes me from 1944 down to the present as having said that when we brought in the support act we were introducing it to deal with a condition which might develop when the time arrived—which possibly would arrive—when we would not have contracts for the sale of farm products. Opposition speakers claim that was not said until the election was over. That was the appeal made to the people during the election campaign. My friends say that I misrepresented the situation to the people. I think that hon. members will permit me to do what it is not my usual habit to do in the house. I think they will permit me to follow my notes of a speech which I delivered over the trans-Canada network of the Canadian Broadcasting Corporation on May 28, not very long before the election. It was an address I made at the request of the Liberal organization in order to set forth to the farmers of Canada the policy of the government concerning agriculture. This is the statement which we made, and upon which I appealed to the farmers to support Liberal candidates from one end of Canada to the other. At that time I said:

> We have entered upon a federal election. The date fixed for voting is June 27. The Right Hon. Louis St. Laurent has given a nation-wide broadcast. He has pointed out that the Canadian people are being guided through a period of transition from war to peace in a prosperous condition. We are sure that the majority of the people will give credit to the government for having given that guidance which assured the present degree of security and prosperity.

Then I dealt with the Conservatives as follows:

> We have two sets of critics. The Conservatives say we should have removed wartime controls immediately war was over and given a free hand to everyone who desired to make profit by developing our natural resources.

Mr. Drew: You knew that was not true.

Mr. Gardiner: You will think it is true before I am through with it. I went on to say:

> They also say we should take off those forms of taxes which were found necessary for the prosecution of the war. This they claim would have given incentive to men and corporations to produce for profit and then distribute those profits through giving employment.

That is the good old policy of Sir John A. Macdonald.

Mr. Drew: Did you speak about the millers?

Mr. Gardiner: I continue reading:

> They do not seem to think there is any possibility of any person or corporation when given an absolutely free hand taking more out of the primary producer or labour than he is entitled to by retaining too much profit.

Mr. Knowles: What about the free hand you gave the millers?

Mr. Gardiner: I find it hurts both the Tories and the C.C.F.'ers now just as much as it did out in the country. I am going to deal next with the socialists.

Mr. Knowles: What about the McGregor report and the way you kept it secret?

Mr. Gardiner: You are just giving your case away when you come to the protection of the Tories. They will be coming to your protection in a minute. Then I went on to say:

> The socialists or C.C.F'ers, and communists on the other hand, maintain that this and every other country should retain at all times the controls which they claim brought prosperity to the masses during the war. They say there should not be profits; production should be for use and not for profit. They claim that if you allow production for profit the average run of person, when he becomes a capitalist, that is when he acquires property, is so selfish that he cannot be trusted to manage it. They claim that either the property itself should be taken over by the state or the product produced by the application of labour to the natural resources should be taken over and marketed by state boards. They claim that when the product is marketed the planning boards of the government should see to it that all that part of the return which previously represented profit should be spent by boards to give service to the people. Sufficient should be returned to the producers so that they can go on producing, but no more.
>
> The C.C.F'ers know that this is not a very popular doctrine, so they plan to water it down in its presentation until they get control of enough provincial governments to put themselves in power at Ottawa. When this is accomplished they will then enforce the policy in its entirety.
>
> The Liberals think neither of these criticisms to be well founded. Liberals believe that war is the most foolish possible method by which to try to settle anything. Nevertheless we realize that during

each of the last two wars we had experiences which taught lessons. We should benefit by those lessons.

We do not agree with the Conservatives that every form of control and all taxes necessary to the conduct of the war should have been done away with at the end of the war. On the other hand we do not agree that every control or every tax found valuable during the state of war is good in peacetime.

Liberals believe that individuals should be free to own property and acquire rights to develop our natural resources. We believe that individuals, companies and corporations should be encouraged to make profit and be free to make their own decisions with regard to the expansion of their operations or the transfer of their investments from one operator to another. Liberals believe that if the development of an industry is dependent upon the utilization of products of primary producers or labour, the individual, company or corporation responsible should be free to see that the proper proportion of earnings is distributed to primary producers or labour before profit is allowed to increase unduly. Liberals believe that if individual or corporation management places undue emphasis upon profits, or even inadvertently allows profits to exceed reasonable levels, then the state should step in either to control or to tax excessive profits into the treasury.

Liberals believe that after those profits are taxed into the treasury they should be so distributed as to put back in the hands of primary producers or labour amounts which management might have put there in the first instances. This is done either through direct payments or through social services. In answer to the socialist we say indiscriminate regulation and a system which denies the individual or corporation the right to handle what might be termed profits robs the individual of a freedom which was won from the state after centuries of struggle.

Then what about our experience and practice? This is what I stated to the voters of Canada:

The government had an experience during the war which they have benefited by since the war. We wanted ten times as much money to finance the war as we were able to collect before the war. The old practice was to go to a country such as Britain or the United States and borrow the money.

During the last war we raised $5 billion a year. Half of it we borrowed from the Canadian people and the other half we taxed from them.

The Liberals decided to do neither of the things that were suggested by the other two parties; and I went on to say:

The Liberals decided to do neither but to collect a considerable part through special taxes after the individual or corporation had shown what profit could be realized. They decided at the same time to distribute vast sums to veterans back from the war, to mothers through family allowances, to labour through unemployment insurance, to old age pensioners, to the sick through hospitalization, and to the public in general through assistance in industry and agriculture.

Each of these policies greatly increased the purchasing power of individuals and thereby provided a better home market for all our commodities. This purchasing power among the masses of the people has been greatly accelerated through a 32 per cent decrease in the income tax on those who are in the lower income brackets. 770,000 persons who paid income taxes prior to January 1, 1949, pay no income tax now. The income tax reductions together with other reductions leave $369 million in the pockets of those who paid higher taxes last year. Family allowances put $271 million more in the hands of mothers in 1948-49. Old age pensions paid by Ottawa put about $67 million in the hands of the aged. Unemployment insurance makes available $49 million. Demobilization and reconstruction payments amount to $434 million . . . These policies increased the purchasing power where assistance is most needed by over $1 billion, $800 million of which is provided for through these special taxes.

What does that mean? I went on to say:

This increased ability to buy has had a marked effect upon Canada's home market for Canadian food products.

I am sure my friends at the other end of the house will agree with that statement.

Canadian farmers have produced more food in the last ten years than in any other ten-year period. During the first half of that period there was great difficulty in disposing of grains, with the result that much of it was converted into meat and dairy products. In spite of that we were carrying 600 million bushels of wheat in the middle of the period about a year before the end of the war. This wheat, together with all we have grown since, or about 2,500 million bushels of wheat, has been disposed of in five years.

That is the greatest problem we have in western Canada, disposing of our wheat; and here we disposed of 2,500 million bushels in a period of five years.

That is as much as entered into world trade a few years ago. Our oats and barley, with the exception of a small quantity for malting, have all been turned into meat and dairy products . . .

We have not had quite so many hogs on our farms in the last five years as in the previous five, but the average dressed weight of slaughterings has been higher. There is no surplus of hog meat begging for a market, and we have been obtaining a higher price recently than could be obtained on the American market. We are not able to fill our British contract.

Our milk production has been higher in the last five years than in any other five years in our history. There is such a demand for milk in other forms that cheese production is at a long time low in spite of the fact that the Canadian price is higher than the Minnesota price. The British contract quantity has been greatly reduced in each of the last two years because we knew we would not have the surplus cheese. We have not produced the reduced quantity. The reason is obvious. We have been consuming the milk in other forms. There is no surplus begging for a market.

That is a statement my friends sometimes condemn me for having made. There is not a surplus begging for a market.

There is not a single one of the staple farm products of western Canada searching for a market. Until very recently we have had markets closed to most of them because we could not otherwise supply our best long time market. Even now, when Britain is temporarily short of dollars, we have been able to negotiate contracts which would take more to supply than we have to sell.

My hon. friends should listen to that.

This being the case it is not only foolish but untrue to state that Canada is losing her markets.

My friend the leader of the C.C.F. party is foolish enough to believe I was applying that remark only to him. He was not as important

as all that, at least in my opinion. I was applying the remark to everyone making that statement.

This being the case it is not only foolish but untrue to state that Canada is losing her markets. A much truer statement would be that Canada cannot fully supply the markets available for staple food products.

One of the reasons for this is our own greatly increased purchasing power. Almost 50 per cent more of our wheat disappeared in Canada in the last five years than ever before. Wheat can be fed when livestock products are at present prices. We consumed 33 per cent more beef in the last five years than during the previous five and last year 50 per cent more than ten years ago. We consumed about 20 per cent more pork in the past five years than in the previous five, and about 70 per cent more than ten years ago. We are consuming more milk and milk products than ever before. As a matter of fact we are consuming nearly all we are producing.

It is true that we are having a little trouble cleaning up some war specialties such as linseed and berry pulp, but they too are disappearing. The only product we are having any real trouble with is apples. We have been having that trouble ever since the war started and partly because of the 1932 trade agreements. But the government has seen to it that the Canadian apple crop has been marketed at the highest returns to the grower he has ever experienced and there are none of those lying around in surplus. The storages are cleared for the new crop.

Mr. Deputy Speaker: I am sorry to have to inform the hon. minister that his time has expired.

Some hon. Members: Carry on; put it on the record.

Mr. Gardiner: There is only a little more of it. It reads as follows:

There is no part of our policy we can appeal upon with greater confidence than that upon trade. And there are no parties which should be more hesitant about raising an issue of finding markets than the Tories and C.C.F'ers. The then leader of the Conservative party stated a few years before the war that: "Where there were markets thirty years ago there are none today. Where there were markets ten years ago there are none today." The then leader of the C.C.F. party agreed by saying that was the truest statement the leader of the Conservative party had ever made.

I read that statement a few moments ago.

The Social Crediters were maintaining that the only way to sell our products was to increase the purchasing power of our own people. The Conservatives were maintaining the only market was the home market. We have been in power ever since those statements were made. We got into power by stating there were markets and we would find them. We did not, however, lose sight of the fact that the home market could be improved. We had cut unemployment in half before the war started. We have seen to it that it has not returned. We have increased the purchasing power of the masses by taxing those able to pay and reducing taxes on those with lowest incomes, by increasing old age pensions, by making payments to returned men and by establishing family allowances. In addition to all this we have found and are finding a market for practically all farm products.

The Liberals have reason to be proud of the conversions they have made on the matter of trade. The Tories now claim that the only solution for any possible problems of the future is foreign trade. The C.C.F'ers are shouting that there is danger of our losing world markets. Both are stating that if we lose world markets we are in for all the calamities of depression including unemployment.

When the Liberal government took office we were being warned by both parties that there are no markets. We have succeeded in convincing them that trade is our only salvation. The record which convinced them is an impressive one.

Canada's annual average trade was $2,250 million during the last four years of the first King government. It dropped to one-half that while the Bennett government was blasting its way into the markets of the world between 1931 and 1935. Canada's annual average trade increased by 60 per cent under the Liberals between 1936 and 1940. From 1941 to 1945 it increased by 245 per cent over 1936-40. But our opponents will say that was during war. We have not been at war during the years 1946 to 1948. The increase in trade has been greater than ever. The average annual figure is $5,455 million which is 300 per cent over 1936-40, the last period of peace prior to the war, and five times as great as during the last period of Tory rule in Canada.

No wonder they have dropped their slogan "There are no markets" and substituted the Liberal slogan of 1935-40 and 1945, "Markets Bring Prosperity".

That prosperity is demonstrated in the fact that whereas there were only 3,700,000 gainfully employed persons in Canada in 1939, there were 5,031,000 in 1948 or an increase of one-third.

That prosperity is demonstrated in the fact that whereas the net income of farmers in 1939 was $484 million it is over $1,700 million in 1948. In short it is more than three times as high. That prosperity is demonstrated in the fact that our national income is three times as high in 1948 as in 1938.

Finally that prosperity is demonstrated in the fact that since 1945, or the last year of war, taxes have been reduced by approximately $1,300 million and the public debt by $1,600 million.

It is no wonder our opponents have come to the conclusion that the slogan of the Liberals "The Liberals Believe in Trade, Trade Brings Prosperity". is the only one upon which to appeal for support.

They admitted it, Mr. Speaker, and I repeat that the people of Canada believed that the only party to put back into power was the party that had always advocated trade as the road to prosperity and not recent converts, and that is why they voted as they did.

If we have converted the leaders of the opposition groups that only means that the mass of the people have been convinced. You know that those who proclaimed the idea 15 years ago and applied it so successfully throughout the period are best fitted now to continue the policy in operation.

The home market has improved to an unprecedented degree under the Liberals.

The export market gives us five times as much under the Liberals as under the last Tory government.

Markets bring business and trade; trade brings prosperity. Liberalism fosters business, trade and prosperity.

But the Liberal party does not intend to rest upon its laurels. It is fortunate for Canada that we have markets for our surpluses at home and abroad. It is fortunate for Canada that we have high national income. It is fortunate that we have practically no unemployment. But these must be maintained and improved upon.

Some hon. Members: Oh, oh.

Mr. Gardiner: My hon. friend groans, but I venture to say that during the election campaign he did not demonstrate in any way that there was any considerable unemployment in this country. I continue reading the speech.

The greatest periods of development in Canada's history have been under Liberal policies.

Mr. Knowles: The minister has been continuing on borrowed time, and he is not going to make a statement such as that. I certainly did speak about unemployment, and I pointed to the proposals which the government had made in 1945, and which have not been acted upon.

Mr. Gardiner: I continue to read from the speech:

Now that the war is over and we are facing a period of peace we must assist in perpetuating it by developing this country.

Then, I go on to deal with policies under which we could bring about that development.

Mr. Knowles: Did you forget to deal with the McGregor report?

Mr. Gardiner: I wound up by making an appeal to the people of this country to vote for the Liberal candidates on Liberal policies, particularly as applied to agriculture. I venture to say that every statement that I have been criticized for making is contained in the speech that was delivered over the radio, but the people of Canada did not criticize it. The people of Canada supported it. That is why we have three-quarters of the members.

The opposition members of this house have stated that the Minister of Agriculture and the Minister of Trade and Commerce (Mr. Howe) had something to do with obtaining the majorities that were obtained in the last election. They went on to state that we did it by misrepresentation. I want to tell them that we made the same statements throughout the election campaign as we had made from 1944 until the election campaign. That fact is borne out by the press reports and by *Hansard*. In addition to that, I would point out that everything we said during that election campaign has come true since the election.

Some hon. Members: Oh, oh.

Mr. Harkness: No one was ever more wrong than the minister has been.

Mr. Gardiner: Within the last week we have received a request from the FAO committee for the surpluses we have in Canada to offer to the world. You could put them all down in three words, and to each one you could add a few million pounds, then there would not be anything left. And all these surpluses, a little bit of cheese, a little bit of butter and some honey.

An hon. Member: How much?

Mr. Gardiner: A little bit. A year ago my hon. friends were insisting that we had to have 10 million pounds distributed over Canada as a surplus in order to make it possible for butter to be distributed to consumers at the end of the year. We are not going to have much more than that by the time we get to the end of the year.

An hon. Member: Three times that.

Mr. Gardiner: In other words, we would hesitate to say to the world today that there is a large surplus that could be available.

Some hon. Members: Oh, oh.

Mr. Gardiner: We have also a small surplus of cheese, a small surplus of butter and a small surplus of honey—

Some hon. Members: Time!

Mr. Gardiner: —and my hon. friends get excited about time. If they were in power, we would be back to the old unemployment position we were in in the thirties.

Mr. Johnston: Mr. Speaker—

Mr. Ross (Souris): Mr. Speaker—

Mr. Deputy Speaker: Order. The hon. member for Bow River.

Mr. Ross (Souris): I just want to ask one question.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order.

Mr. Ross (Souris): Are no questions to be allowed?

An hon. Member: No questions.

Mr. Ross (Souris): May I just ask the minister this question?

Mr. Deputy Speaker: Order. The hon. member for Bow River.

Mr. C. E. Johnston (Bow River): Is it any wonder, Mr. Speaker, that the Liberals obtained so many votes in the last election,—

Mr. Knowles: And only 49 per cent at that.

Mr. Johnston: —when one listens to that great political speaker, the Minister of Agriculture (Mr. Gardiner). There is no doubt in my mind that there is no better political stump speaker than the Minister of Agriculture. The thing that amuses me is that the

people are so easily misled. The Minister of Agriculture is an expert at saying one thing today and another thing tomorrow.

When I was listening to him—and I always listen to him with a great deal of pleasure—I was shocked at his references to the great production of this country. It is true that this country is able to produce an abundance of agricultural goods; but when he was saying just a moment ago that we in Canada now could not supply the market, and when he said that when the FAO conference was requesting him to supply surplus products for world distribution he had to inform them that we had a very little surplus, I was shocked.

My mind went back immediately to what the minister said in December, 1948. I have not the exact speech here but the hon. member for Peace River (Mr. Low) was mentioning it this year on February 28. I just want to put on the record, so that it will be clear following the minister's speech, what the hon. member for Peace River had to say in regard to the speech that the minister gave to the Canadian chamber of commerce in December of 1948. The hon. member for Peace River was speaking, and as reported at page 323 of *Hansard* he had this to say:

> I should like to draw to the attention of this house the surpluses that are here in reality, or that could be here, but for the policies of this government—policies of taxation and restriction that discourage production.
>
> I should like to read briefly from what the Minister of Agriculture said in a speech before the Canadian chamber of commerce in London in 1948.

I should like hon. members and the people of Canada to notice the difference between the statements made by the minister on this occasion today and those that he made in London a year ago. The quotation is:

> "It is difficult for us to understand why anyone should expect us to be other than disappointed with the 1949 contracts. They provide for 160 million pounds of bacon, for 50 million pounds of cheese, and no cattle or beef."

Where is the great production the minister was talking about a moment ago? Then the hon. member for Peace River goes on:

> A little further along, he says:
>
> There are no dollars available in the United Kingdom with which to purchase Canadian apples. Partly because of this we have financed the pulling out of 240,000 apple trees in Nova Scotia. There are no dollars available with which to purchase Canadian fish.

Where are those great markets the minister was just talking about? Where is this extra production that he was talking about? They are finding markets—how? Certainly we have no surpluses to export now because we have been destroying, and discouraging production in this country. The hon. member goes on:

> I suppose if it were possible to pull out the fish beds, the government would do that, and pay for it. It is a policy of discouraging and restricting production. I say that when you do that you are making it impossible for the Canadian people to help a world that is sadly lacking in food.
>
> It is important for us to keep in mind that the minister went over to England, and negotiated with the British people, not for 160 million pounds of bacon. At another point in his speech the minister said:
>
> "All of our discussions on food bulk contracts were proceeding satisfactorily until difficulties arose in adjusting the relationship between dollars and sterling. We were aiming at being able to provide the United Kingdom with 350 million pounds of bacon, 125 million pounds of cheese, 75 million dozens of eggs and having 400,000 head of cattle which we could dispose of either to the United States or to the United Kingdom."

I think that answers effectively the question of what has happened to our production and our markets.

I want to turn to another point which closely follows those remarks I have just read and it greatly concerns the agriculturists of today. In view of the fact that we have been rapidly losing our markets over the years, and particularly the last while, the people in agriculture in Canada are greatly discouraged. It will be of interest to them to note that the Agricultural Prices Support Act may be made permanent. So far it has been on a yearly basis, but now it is proposed to make it permanent legislation, something which the Social Credit members of this house and others have been advocating for a long time.

When speaking at the C.F.A. convention at Niagara Falls on December 1, the Minister of Agriculture said:

> Farmers cannot expect floor prices to be set at the highest level prevailing during the last three years. In most cases the price was set about ten per cent lower than the highest level.

Let me point out to the Minister of Agriculture that farmers particularly are concerned about this support price because of the dropping markets. One remembers that during the war years this government particularly announced to the farmers that they were not going to lose money because they were selling goods then at less than the world market price. I was interested just the other day in an article which appeared in the Ottawa *Citizen* of Monday, March 6, 1950, in regard to this matter. It is headed "Butter Price Slash Would Alarm Farmers" and reads in part as follows:

> The butter price now is supported at 58 cents a pound. Dairy experts predicted in Ottawa Friday that agriculture minister Gardiner will announce shortly a drop of five or six cents a pound in the floor price.

Mr. Milburn was speaking at this convention of the Canadian Federation of Agriculture. The article goes on to say:

> Mr. Milburn said in a statement that there is a downward trend in agricultural prices and that eventually all other prices will fall.

"It means there will be a reduced income for farmers at a time when labour and other callings are receiving increased prices and wages. We see no reason why the farmer should take less."

That is the danger farmers see ahead of them. On every hand they find that the commodities they must buy are increasing in price, while the prices of the commodities they sell are being lowered.

Let me pass a warning on to the farmers at this time in regard to markets. It seems to me that the only source of marketing they will have at their disposal will be those organizations which they may themselves set up by way of co-operative marketing.

The *Rural Co-Operator* of Tuesday, February 28, says this:

The January 6 issue of the *United States News* carried in its business outlook for 1950 an interesting forecast:

"Corporate profits estimated up $1·6 billion. Farm cash income estimated down $1·6 billion."

And then later on it says:

If the *United States News'* forecast is correct the money farmers won't get in 1950 is going into the pockets of the coupon-clippers!

Time to wake up, Farmer! Time to buy yourself an organization that can fight back!

It seems to me the only possible way left of marketing goods successfully will be through those co-operative marketing agencies which the farmers themselves set up. That would seem to be the position from now on. It appears strange that now the government should take the view that it ought not to have anything to do with helping the farmers to dispose of their surplus products. Yet there was no hesitancy during the war, when it was easy to sell. Now when it has become more difficult the farmers are being told, "You take this thing, yourself. We want to get rid of it."

I was pleased to note that when he spoke a few moments ago the minister made reference to another matter, namely the operations of the wheat board. What he said was of interest to me. I believe one of the reasons he gave for people voting Liberal was that they must believe in something. However, as I said at the outset of my speech, the Minister of Agriculture surpasses anyone else in Canada in making statements today and contradicting them tomorrow. He said he had been able to be elected twelve times, and that that was a pretty good record.

Mr. Knowles: He said he got by.

Mr. Johnston: Oh, I beg your pardon, that is right—he got by. He was able to be elected.

Mr. Gardiner: A majority of forty-seven hundred is not bad.

[Mr. Johnston.]

Mr. Johnston: There is no mystery about that, because the minister could go out on a platform and make the farmers believe—and probably did—that they were being treated better under a Liberal government than even they themselves ever expected to be.

I want to speak about the operations of the wheat board, and perhaps what I shall say will explain to the minister why so many people were fooled at election time. To my mind the functions of the wheat board should have always been to market the farmers' produce at the best prices obtainable. In that respect the board would be a worth-while organization. It could continue to function very successfully with the co-operation of provincial marketing agencies. I would like to see it continue as such an agency, and particularly have it operate to dispose of Canada's surplus production through ICCH.

The minister made particular reference to the interim payment of 20 cents discussed here the other day by the hon. member for Melfort (Mr. Wright), and went on to point out again today that the only possible way in which those payments could be made to farmers was by borrowing. He made that definitely clear today—and if it was not clear today, certainly it was made very clear on February 27 when, replying to the hon. member for Melfort, the minister said, as reported at page 284 of *Hansard*:

May I ask the hon. member if he is not aware that every farmers' organization in western Canada, including the pool locals, were asking for that 20-cent payment before seeding,—

I think I can agree with the minister on that, because when I asked him a moment ago when the resolutions he was reading were received he said they were from November 4, 1948, to February 28, 1949. No wonder the pool organizations, the farmer organizations and even members of the House of Commons were asking that that payment be made because they all thoroughly believed that the payment which was about to be made would be from moneys which had accrued to the credit of the wheat board. In fact, the insinuation was made as early as March of 1948, before the minister began to receive these resolutions, that there would be a payment of 20 cents. Of course farm organizations, pools and members of the House of Commons did insist that those payments be made. But they had the knowledge that that money was right there, in the treasury of the wheat board.

Mr. Gardiner: By way of correction may I say that my hon. friend has said my statements will not bear investigation. Therefore I do not want him to put any on the record which will not.

Mr. Johnston: I do not want to.

Mr. Gardiner: The whole question the hon. member is now discussing was discussed before the board of the wheat pool. Everyone associated with the wheat pool knew the position. As a matter of fact every grain dealer in Canada knew it, and the fact that there were some members in the House of Commons who did not know it only indicates that they do not keep check on the records available to them.

Mr. Johnston: I am glad the minister said that, because I shall refer to the records in a moment or two, to prove what he says now is not the fact.

Mr. Gardiner: But you cannot prove it. The record shows $65 million was available, and $213 million had to be paid out. How could you pay that out without borrowing?

Mr. Johnston: I will show whether I can prove it or not. But, before turning to that, I wish to finish with this quotation. On February 27 the minister said to the hon. member for Melfort:

—and is he not aware of the fact that there could not be enough money to pay it without borrowing?

There is no misunderstanding about that statement made on February 27, when he said that there is no other way of making the payment except by borrowing. He has just repeated it today, so there can be no argument as to his meaning in that respect.

I wish to go back to the record as it appears in *Hansard* for February 27, 1948, page 1677, when the relevant discussion took place in the house. On that occasion the Minister of Trade and Commerce (Mr. Howe) was speaking in a debate on the Canadian Wheat Board Act, and had this to say regarding this 20-cent payment:

Instead, the government is taking power to increase the initial payment from time to time, whenever the cash position of the pool would appear to justify such action.

"Whenever the cash position would appear to justify such action". No member in the house could doubt for one moment that the cash was right there to make the proposed distribution.

If there is any doubt about that—because the Minister of Agriculture may well say "I am not responsible for statements made by the Minister of Trade and Commerce"—

Mr. Gardiner: I will agree with that; nevertheless, it does not bear out your statement.

Mr. Johnston: Yes, it does. Then, let us turn to page 1719 of *Hansard* for February 27, 1948, at which time the Minister of Agriculture was speaking about the same thing. I intend to prove that every party in this house was of the same opinion that I am expressing now, that the money was there to the credit of the wheat board. The Minister of Agriculture (Mr. Gardiner) had this to say, as reported on page 1719 of *Hansard* of February 27, 1948:

We would have to go to the bank and borrow money and pay interest on it, and the farmers of western Canada are not asking us at the present time to go to the bank and borrow money and charge the interest up to them and pay them another twenty cents over and above the possible twenty cents we may pay under this legislation. They are asking us to sell their wheat at the best returns we can get, to retain funds sufficient to carry on and make sure we shall be able to carry this through to the final conclusion.

There is no misunderstanding about that.

Mr. Gardiner: What is the date of that?

Mr. Johnston: February 27, 1948, just before you received the resolutions.

Mr. Gardiner: Before we received the further requests from the municipalities.

Mr. Johnston: The minister then went on to say:

Then they are asking us to amend the act so that as time goes on we shall be in a position to pay out any sums of money we may have to their credit.

That is not borrowed money.

Mr. Gardiner: That was my statement to this house and to the public, and even after that they sent in their resolutions and said that they wanted it paid.

Mr. Johnston: That view was not expressed in the resolution which the minister has placed on *Hansard*. As I recall it, they expressed the view that they wanted that payment made and certainly they had every right to expect that this money was there to their credit because the minister told them. Lest there be some mistake, let me quote again from that same page 1719, where the minister is reported as follows:

We should be in a position, Mr. Speaker, not only once a year but at any time throughout the year, if the operations up to date have given them sufficient cash—

How much clearer could it be that it was not borrowed money?

—with which to make payments to the farmers—whether it is in the summer, in the winter or any other time—to determine that they are in a position to make those payments.

The minister told us in unmistakable terms when this very payment was being discussed that there was the cash to the credit of the board. In case anyone might say that that was my understanding of it and that no one else in the house or in the country had such an understanding—

Mr. Gardiner: I am not saying any such thing. I am saying that with that information before the country they still said they wanted the twenty-cent payment.

Mr. Johnston: The minister is trying to imply that those organizations and the members of all parties in this house knew very well that the money would be borrowed. It is a mistake to get up in this house and say one thing one day and then contradict it the next, because the record is here.

Mr. Knowles: The minister did not tell them that in the speech he made over the radio and which he read today.

Mr. Johnston: He did not tell them that in the election. Is it any wonder that they voted for him? They were hypnotized by his great oratory. I turn now to page 2114 of *Hansard* of March 11, 1948, which is a little before June 27, where I find the hon. member for Provencher (Mr. Jutras) is speaking. The hon. member for Provencher had quoted some of the things which I have quoted here today. Let there be no misunderstanding about every party in this house being of the opinion that the money which was about to be paid out on that twenty-cent payment was cash in hand.

Mr. Gardiner: What is the date again?

Mr. Johnston: This is March 11, 1948.

Mr. Gardiner: That is the payment that was made on the first three crops and it has nothing to do with the payment we are discussing. That payment was made in the middle of the summer on the crops for 1945, 1946 and 1947. What the hon. member is presuming to discuss now is the next year's payment.

Mr. Knowles: The payment was made just before the election.

Mr. Gardiner: This is the year before the election.

Mr. Johnston: This is the payment the minister was talking about the other day. Here is what the hon. member for Provencher said on that occasion:

> That is exactly the position now; and I think it should be made clear to all members that when they vote this amount they are not voting public money. I am referring to the initial price. From remarks made to me from time to time, I know this is a misconception common to many members. One cannot blame them, because they are told they have to vote for a certain amount of money to be paid to the western farmers when, in actual fact, they are only giving power to the Canadian wheat board to pay out another few cents, or some specific sum of money, which belongs to the farmers.

There was no misunderstanding about that when one of the Liberal members was speaking in this house.

Mr. Hetland: Are the farmers kicking?

Mr. Johnston: They are kicking when they have to pay millions of dollars in interest, to be bribed for voting for the Liberals.

Mr. Hetland: They are well satisfied.

Mr. Johnston: Let me go now to another part of the house. I quote now from page 2189 of *Hansard* where a member of another party—

Mr. Gardiner: The hon. member will not find anything there to prove what he is trying to prove, so I shall go out and read my *Hansard*.

Mr. Hansell: Exit the expert.

Mr. Johnston: The hon. member for Lake Centre (Mr. Diefenbaker) was speaking on this matter and he evidently had the same impression when he said:

> The payment per bushel is not an additional amount per bushel payable to the farmer as an initial price. It is, in fact, a predistribution out of the participation account. The government knows how much it will pay; $230 million, I believe, is the amount that it now holds to the credit of the Canadian farmer.

The exact amount was $213 million, according to the board report, so I am speaking about exactly the same thing. Then the minister interrupted to say:

> Everyone but the hon. member for Lake Centre always knew those facts.

Always knew what facts? That the $213 million which was about to be paid out was cash in hand. Yet the minister tries to tell us that everyone in the country knew that this money was to be borrowed. I take still another portion of the house and quote from page 2191 of *Hansard* of 1948 where the hon. member for Battle River (Mr. Fair) is reported as follows:

> Let nobody make the mistake that the farmers are getting money from the treasury of Canada, because this money belongs to the farmers of the prairie provinces, as well as many millions of dollars that are not in the fund at the present time. In many cases farmers are still paying interest on their debts which should have been discharged with these belated payments on their wheat.

Then I should like to quote from page 2183 of *Hansard* where the member of another party, the hon. member for Melfort (Mr. Wright), is reported as follows:

> With the amount that is available for this payment—and I believe it is $234 million—I think a fairly substantial payment could be made . . .

There was no misunderstanding in any part of this house that the money which was to be paid was cash in hand. We only found out what the true situation was when the wheat board report was tabled in the house. We were assured by the Minister of Trade

and Commerce (Mr. Howe), and doubly assured by the Minister of Agriculture (Mr. Gardiner), that the money being paid out was cash in hand, but the fact of the matter is that when the wheat board report was made available to us we found that such was not the case. I should like to refer to page 18 of the report of the Canadian wheat board for the crop year 1948-49 under the heading "bank loans," where it reads as follows:

In accordance with the provisions of order in council P.C. 919 of February 24, 1949, the initial price paid to producers was increased from $1.55 to $1.75 per bushel—

May I point out again that that is the payment we were talking about, and not the one that the Minister of Agriculture tried to drag in as a red herring. The report goes on to read:

—basis No. 1 northern wheat in store Fort William/Port Arthur, or Vancouver. This increase became effective on April 1, 1949, and under terms of the same order the board was directed—

Against the board's better judgment they were directed to pay in accordance with the policy of the government, and therefore when anyone says that the wheat board was being used as a political agent to further the interests of a political party he is absolutely correct. The report continues:

This increase became effective on April 1, 1949, and under terms of the same order the board was directed to pay to producers the sum of 20 cents per bushel in respect of deliveries by producers to the board on the 1945-49 pool account for the period from August 1, 1945, to March 31, 1949.

Therefore there is no misunderstanding about it. We were not referring to any other payment at all. The report goes on to say:

This payment involved a cash distribution by the board of $213,445,541.88 which was commenced on April 1, 1949.

That was about two or three months before the election. I continue:

To meet this and other cash commitments, the board as at March 31, 1949, had funds on deposit with the chartered banks totalling $25,051,551.87 and investments in Dominion of Canada ⅜ per cent treasury notes in the amount of $40 million. The funds provided from the foregoing sources, together with funds received from daily operations of the board, permitted the board to meet its cash commitments from April 1, 1949, to June 8, 1949. On this latter date board funds became exhausted and on June 9, 1949, the board commenced to borrow its daily cash requirements from the chartered banks at the established interest rate of 3 per cent per annum compounded monthly.

Note that, Mr. Speaker: three per cent compounded every thirty days. That is not a bad profit when you consider that the board was receiving five-eighths of one per cent for their money. No wonder the Liberals have lots of campaign funds. There cannot be any doubt about it, Mr. Speaker, that the reason people voted Liberal in the 1949 election was that they were bought by the farmers' own money. That pool payment was made for one specific purpose, to fool the farmers, and I must congratulate the Liberal party because they did fool them. To the sorrow of the farmers they are finding out now that because they received that payment in the manner in which it was paid it is going to cost them millions of dollars in interest charges. Not only must they take a drop in the price of agricultural products at this time but they must also pay through the nose for having a Liberal government elected on that occasion.

Mr. Boucher: Your remarks are an insult to the farmers of Canada.

Mr. Johnston: My remarks are based on facts. If you had been listening you would know that I quoted from *Hansard*, and they were not my words. You would also have known that every party in the house, including your own, was of the same impression as I was.

Mr. Boucher: I say your remarks are an insult to the intelligence of the farmers of Canada.

Mr. Johnston: Some people just do not know when they are insulted so I will not comment any further.

I want to say a few words to the Minister of Resources and Development (Mr. Winters). I do not do so in a critical manner because I think in the time allotted to him he has done a fairly good job. He has made some worthwhile improvements in the National Housing Act, and I want to congratulate him on that. He has taken some good steps, belatedly it is true, as to a highway across Canada. I am not going to discuss the route of the highway because that has been talked about on many occasions. I spoke about it last year. I said at that time I thought the judgment of the minister was good in allowing the provinces to make the decision as to the route. I was sure that the decision the province of Alberta would make would be a satisfactory one. They have decided that it should go through the city of Calgary, and I think their judgment was good.

When I was speaking on this matter before, I suggested to the Minister of Resources and Development that in my judgment provision should be made to construct a four-lane highway. I pointed out that as time went on traffic would increase, and in certain localities it would be necessary to build a four-lane highway to accommodate the tourist and freight traffic wanting to travel over it. He

indicated at that time that was his plan, and I think that showed good judgment on his part.

I also indicated to the minister on that occasion that care would have to be taken as to the regulations respecting trucking. I was of the opinion at that time that the government might endeavour to interfere with the free exercise of trucking privileges in Canada, and I was not mistaken. There are two reasons why I am concerned about this matter. In eastern Canada there is some competition for the railways particularly in the transportation of freight. You have the St. Lawrence river, the great lakes and the canals involved in that waterway system which offer effective competition to the railways. In western Canada we do not have anything like that. The only competition we can hope for there is that in time trucking will become a more effective competitor. I think such a hope is only natural, and trucking should be allowed to provide fair and reasonable competition to the railways.

I think the people of Canada are justified in concluding that one of the reasons why the trans-Canada highway was put off for the last twenty years was to protect the railways of Canada. Goodness knows they are getting enough protection from the government as it is. I find that my suspicions are verified. I have here a clipping from the Ottawa *Citizen* of February 23. The heading of the article is:

Says issue on highways prejudged.

The article reads:

G. M. Parke, president of the Automotive Transport Association of Ontario, said yesterday the federal government "prejudged" the issues being studied by the royal commission on transportation. Mr. Parke, addressing the convention of the Ontario good roads association, referred to a speech here Monday by transport minister Chevrier. He quoted Mr. Chevrier as saying: "I think that the present-day development of highway trucking is a very serious threat to the well-being of our railway system."

Surely the railways are not afraid of a little free competition. Are they trying to drive trucks off the roads so that they will be able to hoist their rates another 10 or 20 per cent as they have just recently? It seems that the Minister of Transport (Mr. Chevrier) is assisting them. Then he goes on:

If it is left unchecked it will undoubtedly impair the efficiency of our railroads and destroy the economic advantages which we still enjoy . . .

I would not like the impression to prevail that I am advocating the complete curtailment of highway trucking operations . . . but I am equally convinced that trucking has gone beyond its economic radius of operation, so much so that it has contributed in no small measure to the thorny transportation problem which faces Canada today.

It is clear that the minister has in mind exactly what he wants to do. He says he does not want to completely curtail trucking; but he also says it has gone beyond its economic radius of operation. Who is he to judge in that regard? The only people who can decide that are the truck transport associations themselves. When they begin to operate beyond the economic radius of operation they will soon find it out from their returns, and will cut down that radius. There is no doubt in my mind but that this government intends to limit the radius of operation of trucks so they will not even give fair competition to the railways, and will not be able to operate beyond a radius of fifty miles; and what would be the result? It would mean that if a person living in Calgary wanted to move his furniture to Edmonton, it would have to be done by rail. At the present time a truck will come to your door, load all your furniture, even though you have a five or six-roomed house, deliver it the same day in Edmonton, and unload it at your other house. The Minister of Transport takes the view that this would be uneconomical. What a lot of rubbish. We had better face the issue while it is clearly before us. It is clear that this government, through the Department of Transport, is going to hamstring trucking in this country in order to benefit the railways. I think that is something about which this House of Commons should be very careful. They should see to it that industry has a chance to operate unmolested by the federal government sticking its nose into things it knows nothing about.

Now I want to say just a few words about old age pensions; I would not like this opportunity to pass without having something to say with respect to the elderly citizens of our community. I am pleased to see the motion on the order paper to have this matter sent to a committee, where it can be gone into thoroughly and from which recommendations may be brought back. I believe the time has come when we should begin to delve into this problem, and should start treating these elderly people as human beings. I have often thought one of the best ways to find out whether or not the old age pensioners were receiving enough to maintain a decent standard of living would be to have members of this house limit their budgets to the amount allowed for old age pensions. If that were done I am sure there would be no need for a single speech in this house to urge that old age pensions be sufficient to keep body and soul together.

The Social Crediters have always maintained that old age pensions should be given as a right of citizenship when a person reaches the age of sixty-five. I firmly believe that it should be on a non-contributory basis. Let no one think for a moment that the old age

pensioners do not contribute toward the cost of their pensions now. Every time they buy an article they make a substantial contribution to the revenues of this country through the payment of indirect taxation. When this matter is considered in committee I hope all these points will be taken into consideration and that a recommendation such as I have suggested will be brought in.

There is one other point I want to mention, though my time is passing very rapidly; that is the means test in regard to the old age pension. I believe that the means test should be eliminated. It may be that during the first stages of the inauguration of this non-contributory plan without a means test we will have to move slowly, so it may be necessary to alter that position in some respects; but I shall deal with that in just a moment. I was amazed at the remarks of the hon. member for Maple Creek (Mr. Studer) on this matter, as they appear at page 252 of *Hansard*:

> I believe that everyone in this country, regardless of party, is in favour of the elimination of the means test.

May I say right off the bat that the hon. member is due to be disillusioned. Here again the people of Canada probably were fooled, because all parties in this house do not agree with the elimination of the means test. One party that does not agree is the Liberal party.

An hon. Member: No.

Mr. Johnston: Who said that? It sounds like someone from the west. I want to point out that the Liberal party in western Canada, to be exact the Liberal party in Alberta, does not believe in the removal of the means test. I do not hear any interjections, though I waited for them.

An hon. Member: Baloney.

Mr. Johnston: Baloney, is it? I can assure you that anything coming from the Liberal party in the west is baloney, and everyone out there knows it. I have a clipping here from the Calgary *Herald* of January 4, 1950, headed "Liberals favour means test." You will be surprised to learn who were at the meeting; but let me read the clipping:

> The Edmonton Liberal association Tuesday night approved a resolution to be presented at the party's provincial convention next month that the annual convention be held either in Calgary or Edmonton each year.
>
> The association defeated an amendment to a pensions resolution, one of many passed, that would have urged abolition of the means test. The resolution called for bringing old age pensions to the same level as those in British Columbia.

So at that meeting it was moved that the means test be abolished; but the Liberal organization as such, in convention, defeated that resolution. Even those from eastern Canada should know better than to trust the Liberals from the west; but now we all know that the Liberal party in Alberta, not as individuals but as a party, stands for the maintenance of the means test. Let me quote further:

> Another resolution called on the Alberta government to relax some of the provisions of its part in the federal hospitalization plan.

The provincial hospitalization plan is endeavouring to provide hospitalization for anyone anywhere in the province at a cost of a dollar a day, but the Liberal party in Alberta is against that. And do you know who were at the meeting? This should be of interest to hon. members. The report states:

> Fred Macdonald and George Prudham, Liberal M.P.'s for Edmonton east and west, addressed the meeting.

Now let us get it straight. The Liberal party is not in favour of removing the means test; so when the hon. member for Maple Creek says everyone in this country, regardless of party, is in favour of the elimination of the means test he does not know what he is talking about. Then he went on:

> If it is to be eliminated and there is not sufficient money available to carry the additional burden of old age pensions, what particular social service could those who moved the amendment offer to reduce the burden of providing additional pensions for the aged?

Now, it would seem that we were in a rather bad state. The Minister of Agriculture (Mr. Gardiner) told us a moment ago how much we could produce in this country, and what a wealthy country it was. Then, a Liberal member gets up and says that if we eliminate the means test, we must eliminate some other social service.

Then, he goes on to say:

> There is only one way of carrying old age pensions without a means test, and that is to increase production.

Where has the member been all this time? The Prime Minister told him something about production when he spoke on February 20. It is recorded at page 55 of *Hansard*, and reads as follows:

> Our gross national product, that is the total value of all goods and services produced in the country, has tripled. Our foreign trade is nearly four times what it was in 1939.

Do you want to increase it any more, before we give the old age pensioners a sufficient amount to keep body and soul together?

Then, the Prime Minister goes on:

> Those gains are striking in themselves, and they are striking in comparison with what has happened in other countries.

As a matter of fact, I believe the gross national product was something like $16 billion.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I must inform him he has exhausted his time, and can only proceed with the unanimous consent of the house.

Some hon. Members: Carry on.

Mr. Johnston: I shall be only a few moments, as I do not want to take advantage of the generosity of the house. I should like the members to recall that, if we are basing the amount of pension we can give to the pensioners on our ability to produce goods and services in this country—I would say that should be the only limit upon it—then, when we have had an increase in production such as the Prime Minister says, we should not be quibbling about what social services we are going to cut out if we eliminate the means test.

We further agree, Mr. Speaker, that the age should be lowered to 65, and that the wife should automatically qualify when the husband receives a pension. I believe that is self-explanatory, so I shall not take the time of the house to explain it.

A moment ago, I spoke about the initial steps that might be taken in eliminating the means test. Let there be no misunderstanding about my position. I believe the means test should be permanently abolished. I think it is a criminal thing. As a first step, we might have to apply a principle which is advocated by the Alberta pensioners society in a statement which I received the other day. I should like to put that statement on record, as I believe it has some merit. It says this:

> We want the standard of living that is recognized in the Income Tax Act. That is to say the ceiling on income, in the Old Age Pensions Act for a single man over 70 years of age is $600, but the single man over 65 years of age is exempt from income tax below income of $1,500. The married man with wife over 70 years old in the Old Age Pensions Act has a ceiling on income of $1,080. The married man with wife is exempt from income tax if his income is less than $2,500. What we maintain is that the same standard of living should be recognized in both acts, and that the old age pensioners, single and married, should have their ceiling on income raised to the level of exemptions on income for single and married as in the Income Tax Act; both are based on a standard of living.

Now, Mr. Speaker, may I say that I hope when this old age pensions bill goes to the committee it will receive the very best consideration, and will come back here embodying some of the suggestions I have already made.

Mr. Cote (Verdun-La Salle): Did I understand the hon. gentleman to say that he believes the means test will eventually have to be abolished?

Mr. Johnston: Yes.

Mr. Cote (Verdun-La Salle): So the hon. member considers that, at this time, there may be some difficulty in the way of doing that; there may have to be a levelling off before the test is abolished?

Mr. Knowles: Eventually, why not now?

Mr. Johnston: I have stressed that I am quite aware the Liberal government does not intend to remove the means test, and I believe everybody in Canada should know that. Let there be no misunderstanding about that. What I am trying to do at this time is to get as much as we can for the old age pensioners, despite this Liberal government. As the first step towards that, the very least the Liberal government should do is to recognize the income tax exemptions as the ceiling on income for old age pensioners.

Mr. Cote (Verdun-La Salle): How could the hon. member be aware of the policies of the party? I have never seen him in any of our caucuses.

Mr. Johnston: May I say to the hon. member that on one occasion the Liberals were having a caucus in the railway committee room. They even had policemen on duty there, but in all innocence I walked into that meeting. I was allowed to remain until I found out with whom I was associating, and I certainly got out.

Mr. Major: It being nearly six o'clock, may I move the adjournment of the debate?

Motion (Mr. Major) agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we shall continue this debate.

Motion agreed to and the house adjourned at 5.45 p.m.

HOUSE OF COMMONS

Thursday, March 9, 1950

The house met at three o'clock.

BUTTER

ANNOUNCEMENT AS TO SELLING PRICE OF GOVERNMENT-HELD STOCKS

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, as a matter of privilege, and in the public interest, I wish to make a statement regarding butter.

I issued a statement through the press yesterday which is a summary of what will be issued to the trade. I am sorry that the interpretation placed upon it by some reports was such as to render it misleading; therefore I wish to make the announcement to the house, where I probably should have made it in the first place.

The announcement given the press was as follows:

Ottawa, March 8, 1950.—Right Hon. James G. Gardiner announced today that it was not anticipated that there would be any change in the selling price of government-held butter before the end of March. Mr. Gardiner also announced that if the government did decide to change its selling price downward on butter, those who had purchased butter from the government would be protected against loss resulting from the change to the extent of the stocks on hand.

This is the announcement going to the trade, and it will be fully understood by those concerned. Anything added as though it came from the department could result in misunderstanding, and therefore I wish to make this statement at the moment.

For the benefit of hon. members I wish to state that the last ten-year average storage of butter, as of March 1, was, in round figures, 19 million pounds. The highest storages as of that date were 23 million pounds in 1940 and 24 million in 1947. The storage as of March 1, 1950, is 36 million. Of this amount the government had 25 million pounds.

The end of the dairy year is April 30. The last ten-year average storage as of May 1 was, in round figures, 10 million pounds. The highest during that period was, in round figures, 12,700,000 in 1945 and 13,500,000 in 1949. We bought butter last year so that we would have a carry-over sufficient to make distribution possible.

On the basis of these figures there would be about 25 million pounds of butter in addition to current production to market between March 1 and May 1 to leave the usual carry-over at the end of the year. The government disposed of two and one-half million pounds last week.

It should be remembered that neither the producers of butter nor the government ever encourage the production of more butter than can be consumed in Canada. It is because of the adjustments which will be necessary to maintain this objective that the announcement made yesterday was thought advisable. I wanted to put these explanations on *Hansard*.

Mr. Wright: Mr. Speaker, in view of the minister's statement, and with your permission, I should like to ask him a question. What will be the position of small dairies throughout the country which have stocks of butter on hand as at April 1? Will they be protected in the same way as purchasers of butter from the government reserve?

Mr. Gardiner: They are protected by the fact that any time up to the dates referred to in this announcement they can deliver butter to the board itself.

Mr. Wright: Must that butter be in carload lots, or may it be in less than carload lots?

Mr. Gardiner: It has been customary to have it in carload lots. I do not know whether other arrangements can be made. That is a matter of arrangement with the trade.

Mr. Drew: I should like to ask a question arising out of the minister's statement. To whom and at what price was the butter sold last week?

Mr. Gardiner: It was sold to the ordinary dealers across Canada. I understand that three of the principal dealers telephoned this morning as a result of the announcement made yesterday, and their understanding is the same as the announcement conveyed. One of them said: "We will probably have three carloads of government butter at that date and one carload that we shall have obtained elsewhere; does that mean we will get a settlement on three-quarters of the butter?" His question was answered yes, and he said they fully understood the principles involved. The sales were all made last week to the Canadian trade.

Mr. Drew: At what price?

Mr. Gardiner: At 60½ cents.

Mr. Smith (Calgary West): I should like to ask the Minister of Agriculture whether any

butter has been sold to the industry in recent weeks below the figure which he gave a moment ago.

Mr. Gardiner: I do not know of any butter that has been sold below the figure based on 60½ cents up to date. That is the price at Montreal. There may be different prices in other parts of Canada.

Mr. Smith (Calgary West): I am not concerned about a cent or two. Will the minister make inquiries? To be perfectly frank, I am thinking about soap.

Mr. Gardiner: We have not had any butter that we have been required to sell to the soap industry so far as I know. Sometimes that does develop.

RADIUM

THEFT OF NEEDLES FROM SHED AT REAR OF NATIONAL RESEARCH BUILDING

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of Trade and Commerce. Are press dispatches correct in stating that radium needles representing thousands of dollars of taxpayers' property were stored in an unprotected shed at the rear of the national research building, instead of in a vault, as is the general custom, and that as a result these radium needles were stolen and now endanger the lives of any who may come in contact with them?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not received a report on that subject as yet, although I have asked for it. I will answer the question tomorrow.

Mr. Fraser: Thank you.

CANADIAN NATIONAL RAILWAYS

SHIPPING OF POTATOES AND TURNIPS—SUPPLY OF REEFER CARS IN PRINCE EDWARD ISLAND

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): I should like to deal with a question asked yesterday by the hon. member for Queens (Mr. McLure). It had to do with the supply of reefer cars, and part of it was to this effect:

> Will the minister advise, instruct and demand that the Canadian National Railways provide reefer cars for the shipment of potatoes and turnips from Prince Edward Island? The shortage of reefer cars at the present time is the greatest they have experienced in years.

I promised the hon. member that I would get a report from the Canadian National Railways. I am advised by them today that there are 454 reefer cars on hand or in transit for Prince Edward Island traffic. This total is made up as follows:

Cars on P.E.I.	292
In transit at Cape Tormentine	43
Moncton	30
Truro	22
Campbellton	22
Monk	45
Total	454

Officers of the Canadian National Railways report that a satisfactory position as to reefer cars is considered to be around 300. When it exceeds this figure there is a danger of transportation difficulties arising in connection with the movement of the cars. Therefore my hon. friend can see that there is no shortage of cars. On the contrary, the situation is a good one.

COLLISION OF EXPRESS TRAINS BETWEEN MONTREAL AND HALIFAX

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Yesterday the hon. member for St. John's West (Mr. Browne) repeated his question about an accident which took place between two Canadian National Railway trains in the province of Quebec. I have a statement here which is not too lengthy, and I could either give it to the hon. member or put it on *Hansard*. It is a report of the accident. It is not a report following investigation, because investigation is not yet complete. It is the report which I was able to obtain from the officers of the Canadian National Railways. I think perhaps I had better send it to the hon. member.

Mr. Isnor: Are we to understand that the report will be placed on *Hansard*?

Mr. Chevrier: Perhaps I had better read it to the house. It is a report concerning the accident on the Canadian National Railways at St. Cyrille, Quebec, on February 24, 1950.

At about 10.45 p.m., February 24, passenger train No. 60, the Scotian from Montreal to Halifax, collided head-on with passenger train No. 1, the Maritime Express from Halifax to Montreal, about two miles east of St. Cyrille station, some six miles east of Drummondville. Ninety-three passengers and twelve employees were injured, but none of these seriously.

A formal investigation will be made by the railway officers with regard to the accident, but from reports received it appears the accident was to some extent due to another accident which occurred twelve hours previously, when a train struck a truck at the public crossing at St. Cyrille, damaging the

central traffic control circuit between Drummondville and St. Cyrille so that trains had to run on train orders over this section.

Train order was given to train 60, at St. Hyacinthe, together with several others, to the effect that No. 1 was to run six hours late and that No. 60 was to run Drummondville east to St. Cyrille west. No. 60 should have stopped at the signal at St. Cyrille west, which was displaying "stop" indication, and contacted the train controller at Levis, who would have authorized it to proceed to St. Cyrille station, at which point a terminal clearance would have been issued. Instead, however, train 60 passed the signal at "stop" indication, failed to obtain the terminal clearance form, passed governing signal at east switch at St. Cyrille also displaying "stop" indication, and ran through the switch of siding which was set for No. 1 to enter, thus entering the central traffic control territory in face of No. 1.

INCOME TAX

FARMERS—CHANGES IN METHOD OF COMPUTING DEPRECIATION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the Minister of National Revenue if he is ready to answer the question I asked yesterday regarding the computation of depreciation on farm properties?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the question which the hon. member for Rosetown-Biggar asked yesterday has just been brought to my attention. He asked whether the minister would consider delaying the coming into effect of the depreciation rates that were provided for by order in council on January 31, and applied to the year 1949. The answer is that it would not be advisable to delay the coming into effect of these depreciation rates with reference to farmers, because of the fact that at the end of the year farmers file only interim returns. Like every other taxpayer, the farmer makes his final return on or before the 30th of April of the next succeeding year. Therefore he will have plenty of time to readjust it, and it is not an inconvenience to the farmer. There may be a little inconvenience in so far as administration is concerned, but we are prepared to take on that extra work.

Mr. Hansell: May I say that I have a letter from an accountant who points out that over fifty of his clients have already made their returns, not knowing of these changes. Will the regulations be enforced, so far as those who have already made their final returns, on the basis of the old rates? Some of them have made their final returns.

Mr. Knowles: Because of advertising encouraging them to do so.

Mr. McCann: The new rates are of much greater advantage to the farmer. If he does not care to take advantage of the increased rate of depreciation, then he will be assessed upon the rate which he has used as the basis in filing his return.

Mr. Hansell: It is a decrease in depreciation on farm machinery.

Mr. Ross (Souris): On the 1st of March I had a question answered pertaining to the same subject. I have studied the order in council, and I have had correspondence from farmers who have made out their returns. They find there are changes which are not as beneficial to the farmer as the former provision in that regard, and there will be much contention on that very point.

Mr. Charlton: If I may ask a supplementary question, when the budget was being discussed last year did not the government give the farmers an undertaking that this change would not be made effective with respect to 1949 taxation?

Mr. McCann: The hon. gentleman will remember that objection was voiced in parliament, and it was urged that the new depreciation rates should not affect farmers and fishermen on the diminishing balance scheme; so the old rates still obtain for the farmers, as they were prior to these orders in council. As I say, it is a matter of administration. The farmer has the advantage in that he can write his losses backward and forward over a period of years, and it is only a matter of adjusting them through the administrative officers.

Mr. Charlton: Am I wrong in my understanding that there has been a change under these orders in council reducing the depreciation on power equipment by five per cent? Of course there has.

Mr. Ross (Souris): I should like to have this made clear, because I have had correspondence with people who have automotive equipment. In past years they have been allowed to depreciate it at twenty per cent, but this order in council distinctly sets out a rate of fifteen per cent. Will they be allowed to depreciate at the rate of twenty per cent, or not?

Mr. McCann: There has been such a multiplicity of questions in reference to the matter of depreciation, some of which I did not get very clearly, that I shall have to prepare a statement on the matter, either for tomorrow or the next day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, March 8, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. W. J. Major (Glengarry): Mr. Speaker, it is a great privilege for me, as I rise for the first time to take part in the debate on the address in reply to the speech from the throne, to voice a word on behalf of those whom I have the honour to represent.

At the outset may I offer my congratulations to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the motion we are now debating. I listened to the hon. member for Kindersley (Mr. Larson) with much interest, and I am sure the people of his constituency have justifiable reason to be proud of their representative.

(Translation):

As for my friend and deskmate, the hon. member for Villeneuve (Mr. Dumas), I congratulate him most heartily on the splendid manner in which he performed his task and particularly for the wonderful description he gave us of the Canadian shield which is so dear to his heart.

Mr. Speaker, I take this first opportunity to pay tribute to our leader, the right hon. the Prime Minister (Mr. St. Laurent) for the great victory he won last year. He must surely be proud of the great confidence that has been placed in him by the Canadian people, so that he may keep on directing Canada's affairs with the same wisdom he has shown in the past.

(Text):

May I also join other hon. members in congratulating the hon. member for Grey-Bruce (Mr. Harris) on his appointment as Minister of Citizenship and Immigration.

During the last session of the house, while some hon. members constantly referred to the calmness of our new members, I can assure you, Mr. Speaker, that I followed the deliberations with great interest; and though I was at times inclined to retort, from my sixteen years of municipal experience I felt that this would not be the wisest course. I can also assure you that with the wisdom of your guidance, Mr. Speaker, together with my endeavour to observe the workings of parliament, I have gained much benefit both for myself and for my constituency.

If I may be permitted the latitude at this time since much has been said about national unity, I would say that this is one of the greatest assets we have in the constituency I represent. Glengarry is the home of the loyal and brave highland Scots and United Empire Loyalists who first settled it. I need not try to tell you of their congeniality; their stalwart sons who have settled all over Canada have made this unnecessary for me. Glengarry being also the easternmost county of Ontario, and bordering on Quebec, it was to be expected that people with two great traditions, the French and the Scots, could not be neighbours without eventually having an influence on one another. Consequently neighbourly comradeship led to an intermingling of these two races, so that we now find in Glengarry as many of the Quebec neighbours as of the gallant first settlers. You need not be in Glengarry long to feel the perfect harmony and understanding which exist between them.

Most of the people of our county are dependent upon agriculture for their income, either directly or indirectly. Our towns with their growing industries are largely dependent on the farmers for business. The farm producer's income is derived from three main sources—dairying, hog producing and poultry farming, of which dairying is the largest. Since the greater part of the income from our dairies is derived from milk manufactured into cheese, you can readily understand the primary importance our producers attach to the sale of and the price realized from this product.

We have been enjoying also an excellent export market in the United States for our dairy cattle. Recently the sixth t.b. test has been completed in our county, and out of 34,690 cattle tested, only nine reactors were found. This indicates the healthy condition of the cattle, and should result in an increased sale of Glengarry cattle in the export market. It will be easy to understand, therefore, that the price received for these products has a great deal to do with the happiness and success of the producers.

One might better understand the exact position of our producers if I were to refer back to the thirties, when food prices were extremely low, and when the average earnings from the production of dairy and other food products was not sufficient to provide for the immediate necessities of the producer. You can readily understand to what extent the maintenance of farm buildings and machinery had to be neglected. The anticipation with which the producer was looking forward to the time when the prices of his products would be sufficient to allow him to put an end to the continued dilapidation of his property and the replenishing of his equipment can

easily be realized. The farmer was faced with the necessity of making immediate repairs to his buildings, which were so vital to economic production, and he realized also that he could not continually draw from the soil without making certain disbursements to add to its fertility.

Then came the war period with its restrictions. Prices began to adjust themselves, but in the adjustment heed was taken of the need to encourage the people of Great Britain in their war effort. Although higher prices could have been obtained, and although higher prices prevailed in the United States, our farmers accepted lower prices for the food they produced. The net margin obtained, however, was not sufficient to allow them to attend, as they would have liked, to the repair and upkeep of machinery and buildings, as well as the fertilization of the soil.

Unlike industrial production, which is timed and controlled by the will of men, farm production is more or less timed and controlled by nature. The farm producer, being conscious of the food requirements of his country, must always aim at a larger production than the immediate need, so that there may always be enough to meet requirements. I believe everyone will agree that the farm producer should receive sufficient for his food products to cover the cost of production, as well as the cost of maintenance. If the producer must produce a surplus in his endeavour to satisfy the requirements of his fellow citizens, then I would say that the disposal of the surplus food is the responsibility of all the citizens of the country. The producer should not be asked to accept a price lower than the cost of production, and thereby bear alone the full burden of cheaper food. This burden should be borne jointly by the producer and his fellow citizens.

As you know, the producer of mixed food products must work strenuously for long hours. His is not a task involving an eight-hour day with paid vacations, but a task which usually extends from daylight to sunset, and for seven days a week. Stock must be cared for and cows milked, even on Sundays. It is no wonder, therefore, that the farmer's son is leaving this arduous toil, which brings little or no remuneration, for the less arduous job in which he can find time to enjoy himself before calling it a day. When the displaced persons first arrived, the farmers were of the opinion that to some extent the farm labour problem would be solved. It took only a short time, however, for these men to remind us that our day was too long, and our man-hour effort too strenuous, for the remuneration obtained. Long before their year's contract was up, these displaced persons had made arrangements for employment which would bring them a higher take-home pay with fewer hours of work.

As long as the food producer can exchange the value of a day of agricultural labour for the value of a day of industrial labour, he does not mind too much the hard work and long hours. If and when it happens that he has to give more than a day for a day's return, then his ambition is weakened and his purchasing power reduced. Care should always be taken to make sure that neither his ambition nor his purchasing power is reduced to the extent of jeopardizing the stability of our country. The old method of free markets, and allowing the law of supply and demand to function, might have served a purpose when labour was not a factor and when the producer could have leather tanned in his home village and his boots made by the local shoemaker at a nominal price. The fluctuation of prices may not have been felt as much at that time; but now that the farmer must equip himself with the most modern devices necessary to produce as successfully and economically as possible, both in quantity and in quality, the producer cannot afford to have trade set a lower price for his product than the cost of production. Not only could he not carry on, but the disappearance of farm purchasing power would have most serious repercussions on all other industries.

A vivid and glaring example of this was recently brought to light with the ending of the egg contract with Great Britain. At that time the handling of the product was placed at the mercy of the regular trading channels. It is true that for some time the trade had been requesting that it be allowed to handle the product without intervention. It is unfortunate that the trade had to prove its inability to cope with the marketing of the product and maintain a reasonable price. The sudden and drastic fall of egg prices has been the result. We have seen also the parade of poultry to a depressed market, and this would have continued but for the fact the government used its power under the Agricultural Prices Support Act and announced that the eggs in storage next fall would be bought at a fixed price. You may rest assured that the parade of poultry to market would have continued long enough to change the egg from a welcome food to a scarcity.

It may be said that the misfortune of the producer was the fortune of the consumer, who for a short time could obtain unreasonably cheap food. But, Mr. Speaker, this is mere illusion; because while the consumer

was buying unreasonably cheap food for a fortnight, the producer was disposing of his producing stock at an unprofitable and discouraging price, with the result that he may replenish sparingly; and there is a strong probability that the egg market will be on the short side this fall. Thus it can be seen that by depressing a product beyond reason the producers must take a loss and the consumer is more likely to be called upon to make up more than the difference caused by the reaction in scarcity.

Fortunately for both the consumer and the producer, the government in its wisdom undertook to readjust the low egg price; and, by the price coming back to a reasonable level, the producer was given the necessary incentive needed to prevent the total disposal of his stock. He was also given encouragement to replenish his stock sufficiently to avoid unreasonably low production, so that the consumer may expect a reasonable quantity at a price fair both to himself and to the producer.

Remembering and reacting from the unfortunate and depressingly low prices they received in the thirties, and encouraged by their various farm organizations, together with their knowledge of the well-considered policy of our government, the morale of our farm producers at this time is higher than it has ever been before in the history of our country, and this is bound to have a strong reaction on our future prosperity.

It is also with deep interest that the farm producers welcome the announcement by the government that at this session a bill will be introduced to amend the Agricultural Prices Support Act to provide authority for continuing price support, and I wish to commend the government on the action it has taken. I am sure that this will be one of the means required to ensure a stable price adjustment and an ever-prosperous Canada.

Mr. J. G. Diefenbaker (Lake Centre): May I be permitted, Mr. Speaker, to extend my congratulations to the hon. member for Glengarry (Mr. Major) on his maiden speech in this house. As I do so I recognize that it is one of those amenities that bring together members in all parts of the chamber; for all of us realize that parliament can only fulfil its purpose of legislating so that Canada may achieve the destiny that all of us hope for when it can attract to the halls of the legislature young men of ability and capacity; there are far too many who regard public service as something worthy of ridicule.

In extending my congratulations to my hon. friend upon his ability to express himself in both languages, I am not discharging a perfunctory duty; it is a capacity envied by those of us who are not possessed of it, and it is one that is of inestimable value in understanding the aspirations not only of the race to which I belong, but also of the French race whose contribution has meant so much to the building of our country. I wish I could express myself in French; although I understand the language, Mr. Speaker, I am afraid that if I tried to speak it the house would need a translator to translate my translation.

I was impressed by the speeches made by the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address. The bringing into this House of Commons of young men of their ability and capacity makes for the continuance of the heritage that parliament has handed down to us, and which it is our responsibility to hand on to others.

Having said this, I feel impelled to make some comments on the address delivered yesterday by the Minister of Agriculture (Mr. Gardiner)—which was more important for what it did not say than for what it did say. Before doing so, however, I desire to bring before the house one or two suggestions that I believe will be non-controversial.

The first has to do with the examination of the accounts of parliament; and I have made this suggestion on previous occasions. If private enterprise is to be maintained in this country there must be a greater return to the individual; and there can only be a greater return to the individual if the national income is maintained and taxation is reduced. The federal government annually spends some $2,400 million as compared with $500 million before the second world war, and the municipalities are spending $1,300 million this year as against $600 million in the days of the war. The examination of expenditures is one of the major responsibilities of the House of Commons, and something should be done to improve our facilities in that connection. Canadians this year will spend over $400 million on defence—an increase of some $40 million over last year. In view of the world situation as portrayed by the Secretary of State for External Affairs (Mr. Pearson), and by my own leader in his address the other evening—one of the most powerful ever delivered in this house on the international situation—the people are not averse to expending money on defence and the preservation of peace; but as with other expenditures, they have the right to know whether or not a maximum return is being secured for the expenditures made. I suggest that the public accounts committee of this house as now constituted is ineffectual; it is merely window-dressing. It scarcely ever meets, and when it does, it does not discharge its responsibilities.

In the British House of Commons there is a public accounts committee, a replica of which I should like to see established here. On that committee the majority are not members supporting the government, but they are opposition members. The chairman is not appointed by the government, but it is a member of an opposition party appointed by the members of the committee. Such a committee operates for the purpose of assuring that maximum results shall be secured for all expenditures made. I bring this to the attention of the government; for, sir, if expenditures are being made economically, and if there is nothing to hide, such a committee could not find any over- or mis-expenditure. I suggest that such a public accounts committee be convened. We cannot go on increasing expenditures year by year with parliament having merely a passing acquaintance with them and with no knowledge whatsoever as to whether or not economies are being practised.

I shall now touch on matters of particular interest to Saskatchewan and to the western provinces and of national importance as well. The new members from the province of Saskatchewan who have spoken so far have brought to the house a breadth of purpose that has appealed to all of us. Hon. members from that province are united on certain things. Mention was made before the orders of the day were called by you, Mr. Speaker, of the matter of depreciation for income tax purposes. I say to the Minister of National Revenue (Mr. McCann) that never before has that department been as efficient in the forcing of people to pay and in following them up as it is today. It has been so efficient that injustices have crept in; it has been so forceful that in a number of instances the actions taken have been hard to understand.

Recently a regulation as to maximum rates of depreciation allowable for income tax purposes was sent out by the department. I ask the minister, in the light of experience, to reconsider the rates. In considerable measure the farmers in my constituency are power farmers. They have written me about the rates of depreciation, which are as follows: combines, self-propelled, 15 per cent; combines, 10 per cent; sleighs, 15 per cent; swathers, 10 per cent; tillers, 10 per cent; tractors, trailers, trucks and wagons, 15 per cent. A number have suggested to me that the changes are almost incredibly stupid and the reasons for some rates are difficult to understand. Automobiles, self-propelled combines, tractors and trucks have been reduced from 20 per cent to 15 per cent. Sleighs, wagons and trailers have been raised from 10 per cent to 15 per cent. The maximum on swathers and one-way disc seeders is only 10 per cent. In view of the rapid rate of depreciation of this machinery and equipment, changes should be made in these rates in order to meet practical conditions. All hon. members from the western provinces will support this request, I trust, and we should be supported by hon. members from other provinces and wherever power machinery is used.

Mr. McCann: May I interject a remark? I ask the hon. member's pardon for doing so. We realize that the rates will have to be adjusted from time to time in the light of experience which we gain with reference to the life of these particular implements that are used.

Mr. Diefenbaker: I thank the hon. gentleman. It is with the realization of that fact that I bring these matters to the attention of the house. I hope the minister will act soon, because there is a considerable amount of complaint that the present rates do not operate in justice to the farmer.

I wish to refer now to freight rates. Generally speaking, so far as the western members are concerned, there should be a request on their part that the increases recently allowed by the board of transport commissioners be held back by the cabinet until such time as the discrimination and discriminatory rates now in effect against western Canada and other parts of the country are removed. I do not suggest a permanent hold-up, because all of us realize that there must be an increase in freight rates to meet the added costs of operating railroads if that is established to the satisfaction of the commission. The recent increases if allowed will accentuate that discrimination that now prevails.

Another matter to which I wish to refer is the protection accorded to statutory freight rates under the Crowsnest pass rates. Attacks are being made on these rates. Without regard to party considerations, I feel that every western member should rise in his place in this house and demand that those rates be not interfered with. If they are interfered with; if they are raised, it will impose upon the western farmers a tremendous additional and a correspondingly large reduction in the amount of the farmer's income on his grain crops.

Under the Crowsnest pass rates the average freight rate in Saskatchewan is 13 cents a bushel. That rate would be approximately doubled. So far as the Saskatchewan wheat pool is concerned it would mean that the freight bill would be increased to approximately $41,236,000, or almost double what it was last year. The western farmers have a right to demand that these Crowsnest pass

rates be not removed, and generally, so far as the freight rate structure is concerned, that the discrimination that prevails against western Canada and the maritime provinces shall be removed.

I wish to make some comments on another matter, to which I have referred on one or two previous occasions. Having regard to present conditions generally in the western provinces—and this is particularly true in the province of Saskatchewan, because we have had a crop failure there unequalled since the days of the thirties—our farmers remember that, during and prior to the election campaign, they were informed that there was sufficient money on hand to have paid not 20 cents a bushel in April last but from 33 cents to 35 cents a bushel from the money on hand. The Minister of Agriculture himself spoke on that question in the city of Moose Jaw in April last. He pointed out that the 20-cent payment made in the spring of 1949 was only a partial payment, and there was still to the credit of the farmers an amount of from 12 to 15 cents a bushel. Because of that statement the farmers throughout western Canada are asking why it is that any question has arisen as to why that payment of 20 cents a bushel resulted in an amount, greater than that to their credit, being disbursed by the wheat board. I make the appeal that I made on previous occasions in questions directed to the minister: That at the earliest possible moment the Minister of Trade and Commerce (Mr. Howe) arrange to distribute to the western farmers whatever amount is to their credit, or at least that a substantial interim payment be made, to the end that they may be assisted in their spring work, particularly farmers in the areas where the crop last year as a result of drought conditions was a complete or partial failure.

To help meet the unemployment problem I ask the government to carry out the promise made by the Minister of Agriculture during the election campaign, particularly at Melville, Saskatchewan, on April 29, 1949, that this government would proceed with the South Saskatchewan river dam and irrigation project. I have the quotation here, as I have many other quotations. The heading of this particular article is: "Gardiner predicts 1950 start on dam."

The leader of the opposition (Mr. Drew), after studying the situation and determining the necessity of that development as a national project, gave an undertaking both before and during the campaign that it would be proceeded with as a national work. There was no question raised before the election that this dam was to be proceeded with only if the province made a contribution. But it is being held up because of the federal demand that the government of the province of Saskatchewan must undertake to pay part of the expenditures in connection with irrigation. There never was any question of that, either during or before the election of 1949.

Mr. Gardiner: May I be permitted to say something? I have not had an opportunity of saying what I am going to say.

Mr. Diefenbaker: The minister—

Mr. Gardiner: I will ask Mr. Speaker to allow time to the hon. member, if he takes any in replying; but I just want to make a statement.

Mr. Diefenbaker: Mr. Speaker—

Mr. Gardiner: All right; if you don't want it, I shall make it later.

Mr. Diefenbaker: I only hope the minister does make it later, because that is what I want. Yesterday in a speech of one hour he devoted himself to reading a radio speech made in 1949.

Mr. Gardiner: The matter which I am going—

Some hon. Members: Order.

Mr. Gardiner: Just let me say this. This statement could not have been made yesterday; it could be made only today or later. If you want it, I shall give it to you; if you do not want it, go on and make your speech.

Mr. Speaker: I think we should observe the rules of the house. The hon. member who is addressing the house should not be interrupted without his permission.

Mr. Diefenbaker: Yesterday I sat and listened to the minister; I am recorded as making one interruption, and I did not even do that. I just sat and listened and now I am going to refer to some of the things the minister did not deal with yesterday. This is one thing he should have dealt with in yesterday's speech.

Mr. Gardiner: What I am going to say could not have been said yesterday. It was only agreed to today.

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Diefenbaker: Mr. Speaker, I hear nothing but a continued mumble which cannot be recorded in *Hansard*. I listened carefully to the minister. He said many things, and many things he did not say, to both of which I am going to make reference this afternoon. If the minister wants to make another speech, he will have an opportunity later of doing so.

On behalf of the people of Saskatchewan I am asking that this project be proceeded with as a national undertaking, and that the promise recorded in the Regina *Leader-Post* of April 21, 1949, be carried into effect.

There is one other matter I should like to discuss which particularly affects western Canada; I refer to the Hudson Bay railway. Even when our farmers are not getting the highest prices for their product, they can get a greater return if the costs of production are kept down. I should like to see hon. members from Alberta and Manitoba join with us from Saskatchewan in demanding a greater utilization of this railroad and the facilities at Churchill. We from Saskatchewan want to build up a two-way traffic on the Hudson Bay route through Churchill, and we do not want to see it thwarted by any off-the-record policy of top-flight individuals in Ottawa, or by the Department of Trade and Commerce. We want to see an opportunity given to this railway and to the facilities at Churchill to assist the western farmer. This has been requested for many years. The facilities are there, but to all intents and purposes they are not used.

I now come to the speech delivered yesterday by the Minister of Agriculture. I have a few quotations here; indeed, if I were to gather them all up I would have an assortment of contradictory statements that would establish anything, any place, any time. Yesterday my right hon. friend spoke of the 1930's. That is the old stock argument of my hon. friends opposite. They talk about the 1930's and say that the Conservatives were responsible for the low agricultural prices. That is what they say, and my hon. friend was back at it yesterday. It is not long ago, to be exact on January 19, that the right hon. gentleman made a statement in Ottawa at a press conference. He was referring to the action of the United States in dumping farm products on the market, and I quote:

> It certainly can affect the Canadian export market for farm products.
>
> The United States policy is not new, it has been going on since the 1930's. In 1932, when the United States first started paying its producers higher prices than they could obtain on the market, the United States government started selling grains at below cost.
>
> That's what caused our wheat to go down to 36 cents a bushel.

Mr. Gardiner: The Ottawa agreements were in effect in 1932.

Mr. Diefenbaker: We have that statement vouchsafed by the Minister of Agriculture.

Mr. Gardiner: They understood what I said.

Mr. Diefenbaker: That is true enough. We had a statement yesterday, and a different one on January 19. At that time the minister said that the cause of the fall in wheat prices during the thirties was the action of the United States—I think that bears repetition—when all through the years we in this party have been held responsible for the fall of wheat prices that had fallen all over the world.

When the minister spoke yesterday he drew a picture that was optimistic in the extreme. What are the facts? So far as the United Kingdom is concerned, sales to that country in January, 1950, which have fluctuated in recent months, fell by $7,205,000 to $48,608,000. The total value of exports to all commonwealth countries, including the United Kingdom, was $62,336,000 as against $88,706,000 a year ago, according to statistics issued by the Department of Trade and Commerce. That gives the picture.

As I listened yesterday to the minister I wondered if this was the same minister who during the campaign had drawn such optimistic pictures of trade. Yesterday the minister read from his radio address of May 28, 1949. It was a masterpiece. In order to keep the record clear I am going to refer to some of the other speeches made during that campaign. When speaking yesterday, why did he not tell the farmers what their markets will be after 1950, and in 1951 and 1952? Why did he not tell the Canadian people how much sale there will be for wheat outside of the international wheat agreement? Why did he not answer the question that has been asked him so often as to what he meant when he spoke in Brantford, Ontario, on December 6? In an address to the board of trade of that city on that date he is reported to have said:

> There is a very decided official effort to drive wheat and several Canadian food products from the British market.

Why not tell who these people are? What officials in Great Britain are interfering, for that is what it amounts to, with commonwealth trade with that country whose market is of such great importance to Canada?

Mr. Gardiner: It does not mean that but I must not say anything.

Mr. Diefenbaker: The minister himself spoke of the British market when he addressed the food and agricultural organization in Washington.

Mr. Gardiner: It is not "officials"; it is "official".

Mr. Diefenbaker: At that time he said:

> I hope that nothing in the report will suggest that the United States should not follow the conservation measures which have been outlined by the delegate from that country. That, together with the removal of the embargo on the export of wheat

from Canada to the United States, would eliminate most of our difficulties and would go a long way to solving any international wheat problem with surplus wheat.

I ask, what has been done to remove the embargo?

Then he dealt with the British market and he said:

Canadian farmers, therefore, are still vitally concerned with world markets and are fearful lest monetary difficulties and other trade obstructions deny them entry to their natural market which is the market of Great Britain.

I ask him to tell the house what he meant at Brantford and what he meant on other occasions when he talked of obstruction in high places, or were they merely statements in a long series of statements in which at one time he said that there is not a surplus and the next day said that there is a surplus? Indeed when he spoke to the United Nations food and agricultural organization in Washington he pointed out that Canada was in grave danger from surpluses, and I should like to refer to what he said:

The report further points out that we may be threatened in the near future by "surpluses"—however artificial they may be from a world standpoint —in such commodities as bread grains, coarse grains, rice, sugar, fats and oils and fish. We have already been threatened in Canada by surpluses of most of the foods referred to, the exceptions being rice and sugar.

I ask the minister: what did he mean when he delivered that speech at Brantford in the fall of 1949? Who are the people in Great Britain who are interfering with our trade which, as the minister said in Washington, is so important? Surely the minister said either too little or too much. Indeed the Winnipeg *Free Press* of December 9, 1949, said:

According to the Canadian Press, Mr. Gardiner did not enlarge upon the source or the extent of the "official effort" and until evidence is forthcoming the existence of such a "drive" should be discounted.

Mr. Gardiner: You will notice it is "official effort", not "officials' effort".

Mr. Diefenbaker: Official effort. Let the minister tell the House of Commons exactly what official effort in Great Britain is denying to Canada her natural markets. Surely among the members of one's own family there should be the fullest degree of trade which, as the minister pointed out in his address in Washington, is the natural trade. Surely frankness should characterize every relationship between the governments of the commonwealth. Yesterday the minister talked about the absence of surpluses. Here is something interesting. On February 13, 1950, he said, when speaking at the opening session of the Canadian horticultural council:

Some people in the world are making it difficult for Canada to distribute food surpluses to areas where they are needed. Conditions are not yet normal and Canada is producing surplus foodstuffs which are needed somewhere.

That was on February 13. He was speaking to farmers who know what the situation is. If he had told them there were no surpluses they would have said, "No surpluses? Well, what is wrong?" Therefore when he spoke to them he said there were surpluses. Then in the *Globe and Mail* of October 1, 1949, there is a report of a statement as to markets made by the minister. On that date he was interviewed about Canada's foodstuff markets in the United Kingdom and he said this:

We are trying to maintain Canada's markets in Britain, but there is no certainty that we can do so.

Then, mark these words:

However, Canada was not being "hurt by anything that has happened in Britain up to date. We haven't lost any markets if we haven't got anything to put into them."

In one speech in January he said that there were surpluses and in another in October, after the harvest was over, he was advising that there were not any surpluses. I suggest that we find out once and for all which statement is correct. Is there a surplus or is there not? In view of his diversified statements the Minister of Agriculture finds himself on the horns of a dilemma.

Mr. Gardiner: Read the whole speech. They are all the same.

Mr. Diefenbaker: All right.

Mr. Speaker: Order.

Mr. Diefenbaker: You know, Mr. Speaker, when I get reactions like that it indicates I am saying something that is not altogether agreeable.

Mr. Gardiner: It is not agreed with by anybody who was at the meeting.

Mr. Diefenbaker: I am not through reading yet. I cannot begin to cover all the diversified fiction that I have before me.

Mr. Gardiner: If you would finish reading, it would answer your own idea.

Mr. Diefenbaker: I am sure I have never seen my hon. friend so agitated before. I sit and listen to him as he fires brimstone on us but he cannot take it himself.

Mr. Speaker: Order.

Mr. Diefenbaker: He says to producers that there are surpluses because he cannot tell them that there are not, and to others, in order to show why the situation is what it is, why trade is being lost and where our markets abroad have gone, that we have not any surpluses to sell anyway. To one he says we have plenty and to the other he says we have nothing. In a well-known song

there is the line, "I got plenty of nothing", which would combine both of my hon. friend's versions.

Mr. Warren: Is there anyone over there who could make a better job of it?

Mr. Graydon: Stop that official effort over there.

An hon. Member: Quack, quack.

Mr. Diefenbaker: We have a surplus of ducks in the house. Alone and by itself the radio speech which the minister placed on *Hansard* yesterday would feel almost like an orphan, and it must have companionship. I give it that companionship, with a number of speeches delivered by my right hon. friend during the election campaign. On May 12, speaking at Simpson, he said:

Market is safe, Gardiner says

Hitting out at political opponents who have been accusing the Liberal government of losing Canada's markets, agriculture minister Gardiner declared at a public meeting at Simpson Wednesday night there is no truth in such suggestions. "We could sell much more of most farm products if we had them in surplus supply," he said.

Then on June 11 I find this:

"We are not losing our overseas contracts," declared Mr. Gardiner. "All contracts automatically expire at the end of the year and are then renewed with amendments if need be. Canada has no surplus of goods and we are not losing our contracts."

On May 10, speaking at Regina, the minister is reported as follows:

"Wheat selling is not a problem. The problem facing Canadian agriculture was not the question of selling wheat to Britain but the question of finding additional markets for Canada's wheat surpluses," agriculture minister Gardiner said in Regina on Monday.

That is why, when the minister spoke yesterday, I expected him to tell us what is being done in this connection. He mentioned FAO and said they were going to buy some of our surpluses; but that is merely a temporary expedient.

Mr. Gardiner: Read the rest of those speeches and you will find the answers.

Mr. Diefenbaker: That same report goes on to say:

Mr. Gardiner said there had never been any doubt of Britain's ability to buy wheat from Canada.

Then on June 24 he said:

There is no evidence to support the contention . . . that Canada is losing the British market for food—

Mr. Gardiner: You are not reading from that speech at all. Read the Simpson speech.

Mr. Diefenbaker: Well, Mr. Speaker, the minister wants to choose the speeches I am to read. I have been fairer than he asks; I have not indulged in any selectivity, but am reading the whole record.

Mr. Gardiner, addressing a nomination convention of the Moose Jaw Liberal association, said there is no difficulty now, as there had been in the thirties, in finding markets for our wheat. The minister added that "we are going to have an election but I don't know when it will be."

I suppose it is merely coincidence that those last two sentences come together. Then I have another dispatch dated May 30:

Agriculture minister Gardiner Saturday night predicted that the United Kingdom soon will have sufficient dollars to buy more foodstuffs from Canada. "The United Kingdom and other countries," he said, "are going to be able to pay shortly." "In Canada two things were needed in the immediate future," Mr. Gardiner said, "more food products to sell—

Yes, Mr. Speaker; to the horticultural association we have a surplus; to the House of Commons yesterday there is no surplus. Well, my time is up, though I have many more quotations.

Mr. Gardiner: I will read the rest of them when I get up again.

Mr. Diefenbaker: I trust it was only modesty that kept the minister from reading the rest of them yesterday.

Mr. Gardiner: It was only the fact you would not give me more time.

Mr. Diefenbaker: I conclude by asking the minister and the government to place the trade situation before this house. The ministers say that trade is flourishing, that we have nothing to fear; yet while the right hon. gentleman was speaking yesterday this dispatch was coming over the teletype from Geneva:

Britain gave notice yesterday that she will order new cuts in her dollar imports if the demand for British products in the United States declines.

The minister told us how well trade was being maintained and developed; yet the record for January, published by the bureau of statistics, showed a falling away in British trade, and yesterday at Geneva the British government announced that there might be further restrictions. That is why, at the risk of reiteration, we on this side of the house, believing in our responsibility, have asked and repeated, the trade situation being so serious and the time so propitious, that at the earliest possible moment a commonwealth trade conference should be convened. It was in a spirit of helpfulness that the motion was moved, and that is the spirit in which it is again advanced today. People have a right to know the facts, instead of having from ministers of the crown statements which are so utterly incongruous. On the one hand that there are no surpluses; on the other hand that there are surpluses.

Let us know the facts; let us have an end to the Janus-faced trade policy of the government.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, like other hon. members I desire to open my remarks this afternoon by expressing my appreciation of the efforts of the mover and seconder of the address in reply to the speech from the throne, on the workmanlike way in which they carried out that duty and brought credit both to themselves and to the constituencies which sent them to this house.

I have been here a long time, and I think I am as free from political malice as some of the arguments I have had to listen to during my seventeen sessions here have been free from logic; but I think perhaps I would be expected, and certainly it will be my pleasure, to address myself this afternoon to some remarks made in the house the other evening. The hon. member for Winnipeg North Centre (Mr. Knowles) paid me the honour of referring at some length to newspaper reports of an address I made in Toronto. I know he did not hear the speech; it was quite obvious he had not read it, so he must have had only the information contained in the newspaper dispatches. I regret that I was not in the chamber to hear him, because while the hon. member is very often wide of the mark in what he says he is seldom dull, and he keeps on shooting no matter how often he misses. I think perhaps it could be said of him, as it was said of another student many years ago, that he has dipped into many pools of knowledge and bottomed none of them. Certainly when he dipped into the factual matter with respect to what was said during the course of that speech which he essayed to criticize in this house the other evening, he did not quite bottom it.

The quotations the hon. gentleman read from the Liberal campaign literature used so successfully in Manitoba were perfectly correct, I am quite sure, since I have no reason to doubt that he procured copies of that literature. If he had heard or read the speech he was undertaking to criticize, however, he would have appreciated that I stated that in some of the views expressed at that time I might be at variance with some of those with whom I am associated in this party.

Mr. Knowles: I said that.

Mr. Mutch: That is quite true; but in his desire to make me appear to speak with two tongues I am afraid the hon. gentleman has tried to make me say what he would like to believe I said, without troubling to find out what I did say. The hon. gentleman has had a long interest, and I think a sincere interest, in social security. When I knew him first, his interest in security was largely concerned with that security which comes in the next world. His personal interest in it was probably in collecting his fair share of the manna which falls from heaven on a tin plate. At some stage, he did enter public life in Canada, and he realized that there was a form of temporary security in public life. I do not think the hon. gentleman will take exception if I say that his reaction, when he first came here, was a little like that of the Scotchman who bet two shillings on a horse race and won 30 shillings, and then asked the Englishman how long this sort of thing had been going on. These people seem to believe that a little social security is such a good thing that a great deal would be better.

At no time, either in the speech in Toronto on the 14th of February or at any other time, have I attacked the normal and healthy desire of all self-respecting people to achieve social security. I believe it is one of the strongest motivating forces in civilized people. I do, and I did, contend that by providing social justice this government has made it possible for more Canadians to achieve social security. I said on that occasion, and I repeat, that fear has led people in all walks of life to put too much faith and too much confidence in legislated social security. I said then that this cult of social security had undermined confidence in ourselves, and in society as it is organized. I did deplore, Mr. Speaker, and I repeat, that state assistance is a snare and a delusion. I now add that it is a fraud. It presupposes that we can continue to get something for nothing. In spite of my hon. friend's eloquence on this subject the other night, it is still a basic and elementary fact that you cannot get something for nothing.

Mr. Knowles: But a lot of people are now getting it.

Mr. Mutch: I believe that modesty should restrain my hon. friend from making a remark like that. I should think that the most realistic comment my hon. friend made in his discourse on my speech was when he said, "I do not know exactly what he meant."

The hon. member continued by saying that many are taking my name in vain, because of the views expressed in the speech delivered at Toronto. I am not unduly concerned if that is the case, but I cannot help wondering if the source of his information about that is any more accurate than the source of his information with respect to what I said. He then sneered at me because the Canadian chamber of commerce, in a publication the name of which I have forgotten, quoted something from that speech with apparent approval. I have never been too much

moved, either by praise or by blame. Perhaps in fairness to myself and others who hold similar views I should say that I have stayed in this house for quite a while, without too much to recommend me except a capacity for doing my own thinking and a willingness to express my views frankly.

I can quite understand that my hon. friend, and the member who interjected when he spoke, might wonder why I am taking a line of action which might be at variance with that of some of my colleagues in the Liberal party. I should like to say that I am under no illusions that some of the views which I hold, and sometimes express, would get support from my own party. Freedom of speech, however, and freedom of thought are still a reality in the party to which I give my allegiance. The party to which my hon. friend belongs is a party in which a member either conforms or walks the plank, as two of the members in the province of Manitoba have recently had to do. I am pleased to say that in this party it is still possible to express views based on honest convictions, although they may not necessarily be shared by all those within the party. As a matter of fact the party line, as expressed by the Liberal party in my time here, has not been so much a designated party line, but a considered opinion which comes from the meeting of many minds. This method of devising policy has worked quite successfully in this country.

A moment ago I said that my hon. friend has seen fit to sneer at the fact that some remarks quoted from my speech in Toronto had been cited with approval by an organ of the chamber of commerce. I have no objection to my hon. friend taking a dim view of my opinion. Frankly, I believe the chamber of commerce is adequately equipped to take care of itself; but in passing, I think it would be fair to say this: While I do not pay too much attention to either praise or blame, so long as I am able to express those views which I honestly hold, I believe I would feel much better about approval expressed by some of the men who are associated with that organization than I would about the expressed approval of my hon. friend, or those with whom he is associated. I appreciate the fact that he expresses the party line on those matters. Within the chamber of commerce, however, there are men who have helped to keep this country a healthy and prosperous place. It is a strong and virile organization. These men have made our country strong enough that the political termites can fuss and fret without tearing down our economy, with the consequent disastrous results which that might have.

Mr. Knowles: Is that the description you apply to the people of Winnipeg South who want social security?

Mr. Mutch: No, I do not apply it to anybody. I use it because I think it is an inoffensive way of describing those people who, by their attacks, seek to tear down a thing which they are wholly incapable of replacing if they should succeed.

In my view, it is seldom that anyone loses friends or loses face by being honest and outspoken. It is when anyone tries to talk with many tongues, and look in two or three directions at once, that the public catches up with him. I am flattered, you know, that a speech made outside this house to a group of businessmen should have attracted the attention of my hon. friend. I am not unaware of the reason for his interest. He may have felt that, by expressing an honest view to an audience of people who might be expected to have some interest in that point of view, I might have said something which would be politically disadvantageous to myself. I believe that was the inspiration for his attack. Speaking as one politician to another, I see nothing wrong with one seeking to find, from the spoken word of another, something which might at a later date be disadvantageous to him. If that was the desire, then I am afraid my hon. friend has only succeeded in giving me a little unsolicited publicity without achieving what he desired.

Mr. Knowles: The hon. member is achieving that purpose much better himself.

Mr. Mutch: I shall have to stand on my record in that respect. I was here first, and I fancy I shall be here last. I believe the real purpose of the hon. gentleman, in directing so much of his attention to me and a speech which I say he did not read, was that he hoped to take advantage of the press reports of the speech to make it appear that I was unsympathetic to, and opposed to, a program of social justice leading to a degree of social security, which was espoused by this government and by myself in the last campaign.

My support for things like adjustments of old age pensions, additional pensions for the blind, assistance in the matter of education, and assistance in matters of welfare legislation generally goes back, of course, far beyond 1949. It is perhaps legitimate political strategy—no matter how ill-formed, or, alternatively, insincere—to seize on certain statements from quotations, and honest quotations. In these quotations from anything I said published by anyone or quoted by my hon. friends or anyone else, I have not seen anything which I did not say; but I must say that certain things that I did say

have been left out of the context. The fact remains, however, that there is nothing in my record and there is nothing in what I said that would give rise to the honest opinion that I was opposed either to legislation that now exists or to the expansion of any form of state assistance, or legislation for social security, which is properly a charge on the community as a whole and for the benefit of the nation as such.

I have not said that I believe that some of the methods by which this and other governments in the past—and as most Canadian social legislation was enacted by this government, we can perhaps leave it at that—dealt with the matter have been the ideal methods of approach; but I have supported that which has been done. While I confess that in some respects those things which I think it has been not only necessary but wise to do have been more of a confession of failure to meet a situation in any other way than a tribute to those particular methods as a way of meeting social problems in this country, I do not think it lies in the mouth of my hon. friend or anyone else to suggest that, so far as I am concerned, when these matters have been under consideration I have given less than earnest and sincere study to them.

I have been consistent in my support of them. Whether or not my judgment was right is something which neither he nor I can decide; but of the four times I have been elected, the first time I was taken on faith; but three times the majority of the people seem to have accepted my sincerity. Whether or not some of the things which have actually been done are indeed ideal is a moot question and subject to debate; and whether or not I am right when I suggest that some of the social legislation, even that which exists, is a mere confession of failure and not a new nostrum which is desirable, generally speaking, for the advancement of mankind, makes very little difference, because in a practical world one faces realities; and the wasting of the human assets of a nation is too high a price to pay for economic idealism, either on economic or on humanitarian grounds.

These measures are conservation measures, shared by all for the advantage of the nation. I have not failed nor do I propose to fail in my support of anything which can qualify within that definition. But, Mr. Speaker, and I say this quite frankly, I have a holy horror of the modern conception of the welfare state. I have a congenital distrust of planners, and a passionate, persisting faith in the good judgment of that great mass of people who, above all things, desire to be protected from the dishonest and rapacious few and to be left alone to work out their own salvation.

[Mr. Mutch.]

I confess that I look with a jaundiced eye upon subsidies in any form. If we must put up with them, I urge that they be open, obvious and labelled. I suggest that we do not advertise them as a new nostrum for the general good but that we honestly admit them to be what they are, namely, the confession and the price of failure. We have been and still are sloughing off some of the extraordinary restraints of war. But too many of the restraints of longer standing still remain.

I should like to say just a word or two about trade. For the consideration of the government and the house I should like to suggest that the private trader, if he were given a free hand, would find markets for the merchandise which this country has to sell and would either trade his way back home, as has been done from time immemorial, or else invest the proceeds of his trade in foreign countries, and in that way help to create a market for his homeland. In fact, as far as is possible in an addled and overly regulated economic world, I should like to urge now that we begin to free the channels of trade and that we permit our exporters of goods, money and services to trade where trade can be found. Risk capital can still be found for an honest risk. In recent years the problem has been, and still is, that too often the field for expansion of trade is either regulated, occupied or restricted by government competition, our own as well as that of other countries.

We have been and are being pressed to take longer strides in the direction of legislated social security. I believe it is time to say that there is grave danger that the idea of state-provided security, if persisted in, will destroy the possibility of any real measure of social security at all for any of us. At the considered risk of being both honestly and maliciously misunderstood, I want to say now that I for one am not anxious to see any further groups, as such, of Canadians put on the payroll of the government of Canada. I do not withdraw what I said earlier this afternoon with respect to my support for those measures of legislation for social security which are borne by the public generally and are in the public interest and for the public good. But I think we should invariably approach these questions from that standpoint rather than from the standpoint that we are being asked to discharge a debt which the public, through its government, owes us. I am well aware of the unfortunate tendency of those who seek to do even that which is justifiable and good and at the same time seek to enforce on this and other governments the exercise of their powers to accomplish these ends. We approach these questions too often not from the standpoint of

their being desirable and good and in the public interest but from the standpoint of "ask and it shall be given unto you", because after all it boils down to the fact that all of us in the person of the state owe somebody something. That I conceive to be a doctrine which is not only fallacious but exceedingly dangerous. Because I do not condemn the state for the steps—some of them, at any rate —which have been taken in connection with social legislation, I am now by some being accused of insincerity.

The Montreal *Star* of February 28, 1950, suggests that to me socialistic paternalism is acceptable if proposed and enacted by a Liberal government. The editor of that paper is himself too well informed to forget, and incidentally knows me well enough to know, that I can remember and understand what socialism did for the British Liberal party between 1900 and 1923, when the party became the prisoner of the planners. I do not like socialism any better when proposed by Liberals—in fact I am more afraid of it, because Liberal paternity gives it at least an air of respectability.

As a student of history and politics, I studied with some sympathy the ideas put forth in my student days by the Fabian socialists in the early 1900's. To me they appeared to be a left wing of the then powerful Liberal party. I confess I looked forward in those days with interest and with some hope and with a good deal of expectation to the fruition of some of the plans which they proposed at that time. Looking back today and reviewing the events that have happened in the years since then, I do not mind telling the house that I am not only disillusioned, I am scared at what the planner can do, first under the guise of left-wing Liberalism, and then frankly as socialism.

When I am tempted to be smug about the situation in Canada today, and I might be forgiven for being so after last year, I must confess I look not at but for the Liberal party in Britain and I do not like what I see. It is urged that in principle the difference between the socialist and the Liberal is this, not so much a difference of objective as a difference of method. I confess again that I may have been guilty in the past of holding that point of view, and even of expounding it on some occasions. If I did, I say to the house with complete sincerity that if I ever espoused that doctrine I now renounce and denounce it.

I know that when one comes to look at the general picture of state aid programs for social security there is one great weakness. That is the great weakness which I referred to on a former occasion and which I now wish to refer to again, namely, the tendency to wait until the idea is sold to the public generally, to wait until an appeal is made or, as was the case with the Fabian socialists, to inject, by methods of infiltration, into another party whose reputation brings confidence an idea to make state aid somehow to be something different from what it is, a sort of benign influence and to lull the public generally away from their realization of what the cost is. I am not thinking entirely in terms of cost in money, because I am of the opinion that we can probably maintain and expand the welfare legislation we have in this country at the present time. But I am concerned now, not only for a future day when it may not be true, about the effect that it has upon our people themselves.

The thing which makes the socialist planner so potentially dangerous is his, quite usual, completely sincere advocacy of something which appears to be both humane and closely related to human aspirations and human needs, without any attempt to impress upon people at the same time the price of these objectives if they are realized by the methods which he suggests.

Few people seem to realize that, as they succeed in selling the basic idea that the state owes a man a living, a little later on we shall establish through the state what the standard of living is to be. In so doing man is made hostage to the extremes of a political philosophy which ultimately must result in, if it is followed through to its logical conclusion, a communist state.

Today the communists among us are quiet and restrained. They can well afford to be, because many of those who sincerely hate communism and decry the communist himself are doing his work for him. When the planner has conditioned his unintentional victim by making statism palatable, the stage is set for the emergence, in this or any other country, of the communistic state.

The social planner then puts emphasis on what the state can or should give. If one points out the magnitude of what socialism takes away, or attempts to estimate the cost, as my hon. friend suggested the other day—this would be my argument then and I make it again—one is pilloried as being a reactionary, lacking in humanity, or even un-Christian. The basic idea is that the state owes every man a living. With respect to that let me say this, sir. When men accept that as being true there is no appeal to reason; there is no warning that will be heeded; there is no set of values that can stand against the acceptance by people, of any nation, of that philosophy.

In commenting on the much mentioned speech, another gentleman who interests himself in social security of a different form, namely, Mr. H. H. Hannam, gave a press report based on press reports of my speech. He asserted that large numbers of Canadians have no chance of ever providing their own security without government help. I submit, sir, that is of course untrue, except in the narrowest personal sense, and even then only for the unfortunate minority. The shattering truth is this, that this condition could become true if we continued to take his advice and the advice of those of like mind. The cost of his kind of security has to be borne by all of us. It could be that his ideas would reduce all of us to a position of dependence on government for any measure of security; and if that happens the ultimate result will be no security at all.

Mr. H. R. Argue (Assiniboia): I listened with a great deal of interest to the hon. member for Winnipeg South (Mr. Mutch). I am sure there are many people in Canada who will be sorry to hear him reiterate what he said at the now famous board of trade meeting. He seems afraid of placing more people, as he says, on the government payroll. I am sure that the old age pensioners of Canada would be very happy indeed if they were on the government payroll as are the hon. member and myself. But I would say to him that if he makes many more speeches like that probably the electorate will take him off the government payroll.

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

Mr. Argue: Yes.

Mr. Mutch: Did the hon. member get anything out of what I said in my recently concluded remarks which would indicate any unfriendliness on my part, or on the part of anyone connected with me, to the plight of the old age pensionersé

Mr. Knowles: No, just unsound judgment.

Mr. Argue: As I understood the hon. member, he is opposed to the removal of the means test.

Mr. Mutch: I never mentioned it. I suggest that my hon. friend read the speech. If he could not hear it I apologize.

Mr. Argue: If I can get nothing more from reading it than I got from listening very carefully I doubt whether it would be worth my time.

As other hon. members have done in this debate, I wish to congratulate most sincerely the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne. I believe both hon. members did credit to themselves and to their constituencies. I was happy to see the hon. member for Kindersley move the motion, particularly because he comes from my own province of Saskatchewan, and I was glad to see our province recognized in that way. I was glad also to see that a farmer, and a young farmer at that, was chosen to move the address in reply.

I had intended originally to speak on the problem of soil conservation and land utilization and to indicate that we really do need a comprehensive program of forest, land and water conservation. Our resources are being depleted at a rapid rate and it is high time that this government, in co-operation with other governments and public organizations, embarked upon a program of soil and forest conservation. I would recommend to hon. members of the house an excellent article on this subject in the *Agricultural Institute Review* of January last by Mr. C. Gordon O'Brien, general secretary of the Agricultural Institute of Canada. The Agricultural Institute of Canada is composed of some 3,200 trained agriculturists. They feel as an organization that this nation can afford no further delay in dealing with the problem of land use and conservation.

I turn now to the remarks of the Minister of Agriculture (Mr. Gardiner) made yesterday in this house. I noticed the minister said that he was glad that the press had quoted him correctly during the election campaign and at other times. I was interested to note yesterday that he did not attempt to deny the press reports that have been made from time to time. It seems to me that the Minister of Agriculture says all things to all men. It appears that the Minister of Agriculture, along with other members of the cabinet, was guilty of making statements during the election that they have since contradicted. I should like to quote a statement made by the Minister of Agriculture at Indian Head on June 24, 1949, as reported in the *Leader-Post* of January 27. It reads:

> Refusal of the Saskatchewan C.C.F. government to pay its share of the trans-Canada highway is one of the reasons for delay in finalizing plans for its construction, agriculture minister Gardiner told a political meeting here Friday night.

The Minister of Agriculture said that the Saskatchewan government was the reason for the delay in finalizing the plans. I should like to quote from a letter written by the Minister of Resources and Development (Mr. Winters), in charge of the trans-Canada highway, to the

Saskatchewan minister of highways (Hon. J. T. Douglas), on April 7, 1949, the second paragraph of which reads:

> It seems clear from the helpful attitude you adopted at the conference and from subsequent correspondence that you are anxious to proceed at an early date.

In my opinion that is proof positive that the Minister of Agriculture's statement at Indian Head was not based on fact. I remember during the session last fall the debate that took place in respect to irrigation. The hon. member for Moose Jaw (Mr. Thatcher) smoked out the Minister of Agriculture in a very able manner and brought to light his changed views regarding irrigation in Saskatchewan. In spite of the minister's statements over the years that irrigation projects, particularly the South Saskatchewan irrigation project, would be built by the federal government, at the session last fall he said that the federal government would go ahead with that all-important program only on condition that the government of Saskatchewan would contribute $50 million to $60 million over a period of years. Let me quote from the Regina *Leader-Post* of June 23, 1949, which reports a speech made by the minister at Lemberg. I quote:

> "The South Saskatchewan project would provide cheap power and encourage building of industries in small towns, provide an incentive for young people to stay in this province. I think we have made a fairly good start now," said Mr. Gardiner. "Send us back to complete the job. . ."

Lo and behold, when the people of Saskatchewan, along with the people of other provinces in Canada, sent the minister and the government back to Ottawa to complete the job, one of his first announcements was that if that job was to be completed the province of Saskatchewan must raise $50 million to $60 million. I can well understand the minister's view at the present time with regard to irrigation. He knows that there are surpluses of agricultural products on hand which he is finding great difficulty in marketing. He knows that neither he nor the government have a policy whereby those surpluses can be marketed. So he says, "Why go ahead with an irrigation development in Saskatchewan which will make our farm surpluses even more unmanageable?"

One cabinet minister after another went before the country previous to June 27 and either made statements and promises that they have since abandoned or else failed to give the public the information it had a right to expect. I might refer to the attitude taken by the minister and the government in respect to the Prairie Farm Assistance Act, an act directed toward maintaining some income for farmers when they suffer a crop failure.

An amendment to the act was announced at the session of parliament previous to the election but we were not told what it would contain. In my constituency—I am not talking about any other constituency at this time—a number of the inspectors under the Prairie Farm Assistance Act went around saying that if the Liberal candidates were elected and the Liberal government returned the Prairie Farm Assistance Act payments would be doubled. When I took the train for Ottawa last September one of the inspectors said to me, "I suppose you will support the amendment calling for an increase in the bonus from $2.50 to $5 per acre?"

I know that the minister never said that the payments would be increased to $5 per acre, but nevertheless the impression got around that they would be increased by the new amendment and the minister did not have enough courage to tell the farmers of Saskatchewan exactly what would be in that amendment if the government were returned to power. No cabinet minister I wager can dig up a quotation from any of his own speeches or those of his colleagues which would indicate in any way that if the government were returned to power and if within eight months after the election Canada had widespread unemployment the government would completely abandon its shelf of public works program. I was amazed and disheartened to hear the Prime Minister (Mr. St. Laurent) announce in his first speech of this session that the government was not prepared to undertake a comprehensive program to deal with the present serious and widespread unemployment. He said it was spotty, seasonal, regional, and that the coming of spring would take care of the situation. In the meantime, even if the Prime Minister is right—as I very much doubt—there are 375,000 unemployed in Canada who are living either on a pittance from unemployment insurance or on some form of municipal relief. If one also considers the dependents of these 375,000 unemployed, then there are a million Canadians today who have no income except a small pittance from unemployment insurance or some form of relief assistance. If any minister of the government had said in the election campaign, "If the people of Canada return us to power and if within eight months a million Canadians do not have a decent standard of living because there are not enough jobs to go around, we will do nothing," then the government of course would have been thoroughly defeated.

I could go on and quote many other instances where the government in my opinion misled the Canadian electorate before June 27. For example we have the old age pensions question before us at this time, particularly

because of the widespread desire that the means test be abolished. The campaign is based largely on the belief that it is time the people of Canada reminded the government of its past promises. I should like to quote from page 38 of the federal government's green book proposals to the provinces made in 1945 as follows:

> The principal feature of the proposed national old age pensions is the elimination of the means test.

That is the principal proposal, and not until this session of parliament has the government announced that even if the provinces sign financial agreements they will not remove the means test from old age pensions. Since the 1945 conferences broke down we have been told repeatedly by government speakers in the house that the whole fault lay with the premier of Quebec, Mr. Duplessis, and the then premier of Ontario, the present leader of the opposition (Mr. Drew). I know now why the government has changed its attitude. It is because very soon the present financial agreements will end. Then new financial agreements will be discussed. And the government is afraid that this time all of the provinces may be prepared to sign, and the government then would be called upon to implement its own program. Therefore what do we get? We get a committee of inquiry, and I doubt very much whether the old age pensioners will get much more than that for some considerable time.

In recent days there has been another increase in freight rates. First of all there was a 21 per cent increase in 1948. At that time seven of the provinces objected strenuously to the 21 per cent being added to a freight rate structure which was already unfair and discriminatory. Therefore they took their complaints to the governor in council, and on October 12, 1948, order in council P.C. 4678 was passed by way of instruction to the board of transport commissioners to commence a general freight rates inquiry. In part it reads:

> The committee observe that one of the representations made by the petitioning governments is that a horizontal or flat percentage increase of 21 per cent in all freight rates disregards and accentuates existing disparities in the freight rate structure, and that this had already been the subject of a direction to the board, as set out in order in council P.C. 1487 of April 7, 1948, in which the board was directed to make a thorough investigation of the rates structure of railways and railway companies which are under the jurisdiction of parliament with a view to the establishment of a fair and reasonable rates structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities . . .

Further on the board is instructed to consider the matters set forth in the petition of the provinces concurrently with the pending application for a further increase in freight rates. In other words, the government instructed the board of transport commissioners to make a thorough inquiry into the freight rates structure, at the same time to consider the railways' application for an increase, and then to bring in a decision with regard to both matters. The board did not get around to making the inquiry. Instead we have the so-called 16 per cent increase in freight rates, but it works out at 19·36 per cent over the rates existing before the 21 per cent increase.

The increase in freight rates last fall and the one of a few days ago took place after the election campaign in which the government said to the people of Canada that there might or might not be an increase in freight rates, but in any event the board of transport commissioners had been instructed that if there was to be any change it had to be brought about in such a manner as to make freight rates more equitable and just. That has not been done. If the people of Canada had known that there would be a further 16 per cent horizontal increase in freight rates on top of the previous 21 per cent, then I am sure that the results of the election on June 27 would have been substantially different.

Yesterday the Minister of Agriculture (Mr. Gardiner) spent a great deal of time discussing markets. He wound up by saying that we had a few agricultural surpluses. He said we had a surplus of cheese, a surplus of butter and a surplus of honey. I should like to tell him that the farmers think we have a surplus of eggs also, because they know that the wholesale price of eggs at Saskatoon for example went down from 52 cents a dozen on December 23, 1948, to 33 cents a dozen on December 23, 1949—a price netting the producer as little as 20 cents a dozen average grade. At Winnipeg from August of last year until February of this year hog prices were reduced by $7 a hundred. The farmers know that there is a surplus of agricultural commodities when they see such terrific drops in the returns they receive. We all know that we have lost the British market for eggs. We know that we have a bacon contract with Britain for only 60 million pounds this year as compared with 160 million last year. We know that contract will end in July. We all realize Canada is rapidly losing the British market.

The Minister of Agriculture (Mr. Gardiner) took the Conservative party to task yesterday. He went back over its history and condemned R. B. Bennett for his policy of trying to blast his way into the markets of the world. I would say to the minister that the Bennett policy, unsuccessful as it was, of trying to

blast a way into the markets of the world was better than the policy the minister is now following, of doing his best to blast his way out of the markets of the world as quickly as he can.

Then, too, I noticed that the interjections by the hon. member for Winnipeg North Centre (Mr. Knowles) yesterday with respect to the McGregor report were not answered by the minister. If on June 27 the people of Canada had known that the Minister of Justice (Mr. Garson) had broken the law, and that he was aided and abetted by the Minister of Trade and Commerce (Mr. Howe); if they had known that after the McGregor report was tabled nothing would be done about the alleged combine in the flour-milling industry and that because nothing was done the commissioner would resign; then I say the result would have been very different indeed.

The Minister of Justice and the Minister of Trade and Commerce were successful in keeping the McGregor report buried for some ten months, breaking the law of this country. The Minister of Trade and Commerce and the Minister of Agriculture were equally successful in keeping from the farmers information as to the financial position of the wheat board. Through statements made by the Minister of Agriculture on many occasions in the past the farmers were led to believe that the wheat board, making a payment of 20 cents a bushel in the spring of 1949, would make that payment out of a surplus on hand. Yesterday the minister built a great part of his case around resolutions he had received in November and December of 1948 and January of 1949 asking that a 20-cent payment be made. Why did he receive those requests? Because in the House of Commons on February 27, 1948, he said he felt there was no doubt in the world that at least another 20 cents per bushel would be paid on wheat in 1949. On November 13 last, according to the *Leader-Post*, speaking to the wheat pool convention in the province of Saskatchewan, the minister said the wheat board would be in a position to make an additional payment, probably 20 cents a bushel. After that announcement was made municipalities in the drought area passed resolutions saying to the minister, "If the wheat board is making a payment, as you say it is going to, then we want our payments first, because our farmers are in financial need."

Reading a lecture to the hon. member for Souris (Mr. Ross) the minister said it would be most unwise to pay out an additional 40 cents a bushel at that time because, he said, that would put a great strain on the resources of the wheat board. Let me quote his words, at page 1719 of *Hansard* for February 27, 1948:

> We would have to go back to the bank and borrow money and pay interest on it, and the farmers of western Canada are not asking us at the present time to go to the bank and borrow money and charge the interest up to them and pay them another 20 cents over and above the possible 20 cents we may pay under this legislation.

He told the farmers of Canada and the members of this house that the government would not instruct the wheat board to pay 20 cents a bushel if as a result the wheat board would have to go to the bank to borrow the money. So the farmers naturally assumed last year, when the 20-cent payment was made, that the wheat board had sufficient funds on hand without going to the banks.

It has been stated in this house on a number of occasions already that the wheat board ended its fiscal year on July 31, 1949, with a deficit of more than $5 million, and that at the time they owed the banks more than $23 million. At that date the wheat board was completely bankrupt; its liabilities exceeded its assets by more than $5 million. When the board went to the banks to borrow money it had to pay an interest rate of three per cent compounded monthly; but this generous, benevolent government that looks after the funds of the farmers so well pays the wheat board five-eighths of one per cent on any money the board invests in treasury bills.

Yesterday the minister said the wheat board is borrowing money every year to handle the new crop. Of course it has to borrow money; that is not what we were objecting to at all. Let us take a look at the financial position of the wheat board on July 31, 1949, as compared with its financial position on July 31, 1948. According to the consolidated balance sheet, last year the board had on deposit in the banks just a little more than $4,000 and owed the banks almost $24 million. The previous year the board did not owe the banks anything; the banks owed the wheat board more than $57 million, because the board had that amount on deposit, and the federal government owed the wheat board $50 million by way of treasury bills, making the total cash reserves of the board $107 million as of July 31, 1948. But on July 31, 1949, its cash reserves were $23 million less than nothing.

Why was that policy followed? The government knows, as we all know, that on the price of wheat a government stands or falls in the province of Saskatchewan. So they said, "We will pay the farmers 20 cents a bushel; we will lead them to believe there is another 20 cents a bushel coming, and we know they will vote for the Liberal party." But farmers are really going to be up in arms now, when they find that the best they can hope for when the five-year period is over, unless Britain

pays a higher price, and that I doubt, is an additional payment of not more than six cents a bushel.

Before the election the farmer might go into his post office one week and find a cheque for perhaps $800 for 1945 wheat. The next week he got a cheque for perhaps $1,000 for 1946 wheat. Within the next two weeks he received a cheque for perhaps $1,200 for 1947 wheat, and the day before the election he perhaps got a cheque for $1,000 for 1948 wheat. In other words he was paid, 3, 4 or 5 thousand dollars just previous to the election and from the statements made by the minister from time to time they expected to get another 20 cents a bushel.

Mr. Sinnott: What about The Battlefords election?

Mr. Argue: I am coming to that. Let me quote what the Minister of Agriculture said at page 1720 of *Hansard* for February 27, 1948:

> Under the plan of five-year payments that was brought into effect in 1945 the farmer knows that if there is drought he will have more money coming to him at an increase of 20 cents in each year, no matter when that drought comes—

The minister was replying to a suggestion by the hon. member for Souris that the payments should be increased by 40 cents. He said, "No, that is no good. We have had a dry year; we may have a dry year next year; we may have dry years throughout the balance of the five-year period." He believed it was a better thing to give the farmers 20 cents a bushel each spring from now until the end of the five-year pool. The farmers now know to their sorrow that the wheat board has been used as an instrument to elect the Liberal party. The farmers know that the Minister of Agriculture was right when he said in February, 1948, that the farmers did not want the government to go in debt to the bank, and bankrupt the wheat board in order to pay an additional payment.

If one goes over the wheat board consolidated balance sheet for 1949, one finds that the farmers have made a real contribution to the consumer by providing wheat at a low price. The farmers made a contribution towards keeping United Kingdom wheat prices down. The figures show that the average price for class II wheat, at the time the British agreement began to operate, was $2.39 per bushel. Under the United Kingdom agreement, the price was $1.70, that is the average for the first three years. Over the same period the domestic price amounted to $1.61 per bushel. I do not say the assumption is a good one, but if we assume that the farmers had received the price of class II wheat for all wheat going into the domestic market, the wheat board would have on hand now another $159 million. If under the British contract the price had equalled the price of class II wheat for the first three years, the wheat board would now have an additional $332 million. The farmers know they have made a very large contribution indeed.

I say to the government that if it is going to maintain a stabilized wheat program, as I think it must, if it is going to give the farmers of Canada even elementary justice, then when the government brings down amendments to the wheat board act it should establish another five-year pool, in which the initial price is not less than the money derived by the farmers from the five-year pool just ended. Agriculture was willing to accept the government's stabilization program on the understanding that stability would not mean just keeping farm prices down, but in future years would also mean keeping farm prices up. If the government will bring in, as I hope it will, another five-year agreement, under which the initial price is not less than the price obtained for the last five-year pool, then I believe the farmers will say the government's wheat policy has after all been a good one.

I have one more quotation I should like to place on the record, Mr. Speaker, and then I shall be finished. The quotation has to do with the interjection made by the hon. member for Springfield (Mr. Sinnott). Yesterday the Minister of Agriculture, as recorded at page 572 of *Hansard*, made a reference to the by-election in The Battlefords constituency. Before I quote exactly what the minister said, may I refer to the fact that he alleged the C.C.F. brought in federal issues, and that the whole campaign was fought on federal issues. He said the Liberals had a great majority, and a great victory, and therefore the government's policies were endorsed. He wound up by making this statement, talking again about Liberal votes, Conservative votes and C.C.F. votes:

> When they—
>
> Meaning the C.C.F. and Conservatives.
>
> —put the two together and added them all up we still had them trimmed by 132.

That quotation, as with so many others, is not in accordance with the facts. The Liberal party won, but not with an over-all majority of 132; they lacked 243 votes of having an over-all majority.

I should like to quote the results in that particular constituency in the last three elections. In the provincial election of 1948 the Liberal majority was 436. In The Battlefords constituency in the federal election of 1949

the Liberal majority was 1,319; in February, 1950, the actual majority over the C.C.F. amounted to 138 votes. The Liberal party won by a fair majority in 1948, and by a whopping majority in 1949. They only "skinned through" in 1950. The Minister of Agriculture says that the election was fought on federal issues. If that is correct, and if this vote on February 8 last is indicative of the opinion of the people of Saskatchewan, if a provincial election had been held on that date the C.C.F. party would have won 38 of the 52 seats.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in taking part in this debate on the speech from the throne, I should like to deal first with two problems of general interest. Then, as other speakers have done this afternoon, I should like to turn my attention to the problems of trade as they affect the agricultural situation in Canada today.

The two general subjects I should like to mention before passing on to trade and the remarks of the Minister of Agriculture (Mr. Gardiner) concerning it are, first, the widespread appeal which has been made throughout this country for the setting up of a veterans affairs committee at this session. Every member has had requests from the Legion branches throughout his constituency, as well as from many of the women's auxiliaries to the Legion and other interested bodies, asking that that committee be set up. It is a request which is widespread and well-founded. This request cannot be disposed of by the brusque statement of the Minister of Veterans Affairs (Mr. Gregg), that the government does not intend to set up such a committee. There has been no amplification of that statement, nor has there been any explanation of the reasons which led the minister to that conclusion. I have no hesitation in saying that, in view of the problems which confront this country and the veterans as citizens of this country, there is every need for that committee. We on this side of the house, as well as the veterans organizations throughout the country, are not satisfied with that answer. We shall continue to press for the setting up of a committee until our efforts meet with success.

The other general question to which I should like to refer is the widespread agitation for the immediate removal of the means test. I am only one of 262 members, and I do not say I have received more of the printed cards in favour of that request than the others—I may not have received as many. I do know, however, that my correspondence has become increasingly difficult to keep up with owing to the number of those requests which have come to hand. If the number I am receiving is any measure of the number the other members are receiving, then there must be many hundreds of thousands coming into this House of Commons from the people throughout the country. That volume of requests, Mr. Speaker, would not be in such proportion as we find it, if it were not for the fact that the people of Canada, particularly the old age pensioners, were encouraged, by statements made by government candidates from coast to coast during the election campaign in June of last year, to believe that the means test would be removed.

Mr. Knowles: Including Winnipeg South.

Mr. Fulton: I do not believe in pressure groups, Mr. Speaker, any more than do you or any other hon. member; but this is not a pressure group. It is a heartfelt request from the people of Canada for the implementation of what they understood, by the ordinary meaning of words, to be a declared part of government policy if the government was returned, as it was, in June. It is no sufficient answer for the Prime Minister (Mr. St. Laurent) to put this matter off by saying that we cannot do it without agreement with the provinces. He did not say that in June or May of 1949. It is no sufficient answer to say that we are appointing a parliamentary committee. In the election campaign of 1949 he did not say that he would do that.

The impression was clearly given, and it clearly remains, that if this government was returned to power a contributory pension scheme would be introduced and the means test would be eliminated. To refrain from implementing that promise is nothing short of a breach of faith, Mr. Speaker, and a denial of the understanding deliberately given during the course of the election campaign. In the course of debate in these last two days we have heard a good deal about double talk and about saying one thing and meaning another. The history of this promise to remove the means test is merely a part of the over-all pattern.

I should now like to deal particularly with the subject of Canada's trade situation. Probably no other problem looms so large in the minds of the people of this country as that of declining markets, in overseas countries, for Canada's produce. We in the opposition have pressed for one step to be taken that might solve that problem. We have pressed, and will continue to press, for the summoning of a commonwealth trade conference. That subject was debated for one whole day in this house, Mr. Speaker; and I think it is significant to note that during that whole day's debate there was only one speaker on the government side who even bothered to discuss the question of

trade. Indeed, sitting here, I had the instructed its followers that they were not to impression that the government had say anything about trade.

An hon. Member: That is not the situation.

Mr. Fulton: I am glad to hear it, but that is the impression I had. There was only one government speaker, and no private member on the government side appeared to feel that the subject was important enough to warrant his giving his views on the situation. It is also significant that the only speaker on the government side—the Minister of Finance (Mr. Abbott)—spoke for something under five minutes, and the sum of his contribution was that a trade conference would not necessarily solve the problem, that he could not see that any good purpose would be served, and that it was not up to Canada to take the initiative. That was the sum total of the government's contribution on that day to the discussion of Canada's great problem. It is true that references have been made to the matter in passing by other speakers on other occasions. For instance, in the course of this debate we heard from the Secretary of State of External Affairs (Mr. Pearson) and he dealt with the question of a commonwealth conference on trade matters. He said that he could not see that any good purpose would be served by it. When it comes to the matter of atomic energy and the difficulties which exist between ourselves and the Russians, he said he would attend limitless conferences. But on trade matters as between members of the commonwealth, the inference would seem to be that it is nonsense to assume that we can solve these problems by conference. Of course, when it comes to atomic energy, we and the Russians have never yet been able to agree. But the inference is that a conference would probably produce good results. But on trade matters between friends, nations of the commonwealth, who normally get along fairly well, the suggestion seems to be that a conference would probably not produce any results at all.

The Minister of Trade and Commerce (Mr. Howe) has not yet spoken in this debate but he recently returned from Europe. I have here a press report of an interview or what I take to be an interview with him when he landed in New York. It appears datelined "New York, March 1" and is headed "Howe Predicts More Exports—Trade Minister Returns From Six-Week Visit to Europe." Both before and after the election the Minister of Trade and Commerce, of course, from coast to coast has been predicting more exports; but the more he predicts more exports, the more our overseas trade seems to decline. On this occasion the minister did not give us any facts which would seem to substantiate his moving faith that there will be more exports. The article goes on to say:

> Mr. Howe, who arrived aboard the *Queen Mary*, said the over-all outlook for increased trade with Europe is "improving all the time." He added that the dominion is not "overlooking any possibilities" in its efforts to foster more trans-Atlantic trade.

The minister did not say how European countries would be able to pay for our exports with non-convertible currency. According to the article he went on to say:

> Canada was encouraging private businessmen to arrange barter deals where such are more desirable. But the Canadian government was not directly involved in any such trade.

About the only impression we can get from an analysis of the minister's statements —at least until he gives us more detailed information in the house—is that, as a result of currency restrictions, we have had to turn the clock back some four hundred years, and have come to a point where money is no longer a useful means of exchange for international trade, and private businessmen are being encouraged to enter into barter deals. The government will not have anything to do with those deals. Oh no, that is not the government's responsibility. Its only responsibility appears to be to encourage private businessmen to arrange these deals and then to insist that they take the whole responsibility for such deals if they go bad.

Presumably, the situation is this, Mr. Speaker. You, coming from an apple-producing area of Ontario, are now encouraged to make a deal with the United Kingdom if you want to sell your apples; and it would be fine, from the government's point of view, if you would care to accept, shall we say, Egyptian cotton in return. Then you would have to set yourself up in the cotton business and find a market for the cotton. But the government will not accept any responsibility for that deal nor, presumably, will they come to your assistance if you are left with a lot of cotton on your hands.

The situation we see confronting this country now with respect to its foreign trade looks a great deal like the situation which developed in 1928 and 1929 when, you will note, Mr. Speaker, the trend toward the loss of Canada's overseas markets, and particularly the sterling market, first set in. Let no one be misled by the oft-repeated and completely unfounded assertion of the Minister of Agriculture in this house that the loss of Canada's overseas markets was the sole responsibility of the Bennett government. The fact is, as I shall show later on from the

dominion bureau of statistics' own figures, that the trend set in and was experienced at its most violent pace in the last two years of the King government in 1928 to 1930. It was not until the Bennett government did something about it in 1932, by summoning the imperial economic conference, that the trend was halted and Canada's trade finally began a long, slow uphill climb toward recovery from the situation that the Liberal government had brought about.

Mr. Ferrie: Nineteen-cent wheat.

Mr. Fulton: If the hon. members of the Liberal party want to interrupt me I would ask them to do so one at a time so that I can deal with them.

Mr. Ferrie: All right; what about 19-cent wheat?

Mr. Fulton: The 19-cent wheat that my hon. friend is so interested in was explained in the quotation read by the hon. member for Lake Centre (Mr. Diefenbaker) this afternoon, in which the present Minister of Agriculture, a leading figure of your own party, explained that the fall in the price of Canadian wheat was due to the United States policy, and that trend started in the years 1928 to 1930. If my hon. friend will contain his patience a little longer I shall give him the figures which substantiate my position.

Mr. Ferrie: Give me the money that they took out of my pocket and I will be happy.

The Acting Speaker (Mr. Fulford): Order.

Mr. Smith (Calgary West): On a point of order, Mr. Speaker, I want to be the first to congratulate you on being able to exercise your authority now. I am looking to my left.

Mr. Ferrie: Thanks a lot.

Mr. Fulton: Mr. Speaker, the press is full of information today which supports—although the statement is so frequently denied by the ministers of the government—the assertion that Canada is losing her overseas markets. I hold in my hand a quotation from the Toronto *Star,* dated February 15, 1950, which reads:

> Canada fails to close Trade Gaps with U.S., Britain in Big Year
>
> Although Canada's foreign trade, a key factor in the nation's prosperity, remained high last year, there were several "low pressure" areas which may mean rough weather ahead.

They were dealing with 1949 when the trend had already become evident. The report goes on:

> The year-end report of the dominion bureau of statistics reveals Canada is no farther ahead today in solving the currency exchange problem than she was a year ago.
>
> It's generally agreed that the long-range solution, as far as Canada is concerned, is for her to buy more from Britain and to sell more to the U.S. Both of these things she failed to do in any substantial measure in the twelve months ending last December, the report showed.

Then we have the dominion bureau of statistics release, to which reference has been made on one or two occasions previously, covering the first month of 1950, coming to hand at the very time that this particular question is being discussed, coming to hand at the very time that the Minister of Agriculture and the Minister of Trade and Commerce and others are saying that to talk of Canada losing her overseas markets is nonsense. It is a pity that the ministers do not have time to read the publications of their own departments, or if they do read them they do not seem to have that confidence in their accuracy which we on this side of the house have.

This release shows that our exports to the United Kingdom in the month of January as compared with the month of January, 1949, fell by $7 million.

Mr. Howe: My hon. friend knows the reason. He knows that the railroads in British Columbia, which carry our exports to seaboard in the winter months, were blocked.

Mr. Fulton: They were not blocked during the whole month of January.

Mr. Howe: They were blocked for a good part of it. The drop in wheat shipments accounts for nearly all of the deficit.

Mr. Fulton: It is comforting to hear the minister make that explanation for the first time, but it does not explain the tendency which was so evident during the preceding months of 1949.

Mr. Howe: My hon. friend is aware—

Mr. Fulton: Were the railroads closed all during 1949?

Mr. Howe: During 1949 exports dropped by exactly 2 per cent, and that was due to the drop in prices in the last half of the year. If that is a calamity in trade, then I hope we shall have no more serious ones.

Mr. Argue: By volume?

Mr. Howe: By dollars.

Mr. Fulton: I am glad to hear that the Minister of Trade and Commerce is consistent in his statement now and those which he made before the election. He might pass a little of his consistency on to the Minister of Agriculture, who told us that—

Mr. Howe: Incidentally, it was 2 per cent down from the highest peacetime export that this country has ever known.

Mr. Fulton: I grant the minister that. No one has ever quarrelled with the fact that in the last few years our export trade has been at higher levels; but I can give the minister his own statement that a large part of that is due to the inflated value of currency, and a substantial measure of that is due to Marshall aid being extended by the United States.

Mr. Howe: If my hon. friend would talk about something he understands and leave Marshall aid alone, it would be a great help.

Mr. Fulton: Perhaps the minister will let me complete my statement.

Mr. Howe: You make so many misstatements.

Mr. Fulton: The minister has given no indication that any policies are being instituted that will solve the problem which will exist in double measure when the Marshall aid program comes to an end. It will be interesting to hear whether the minister is going to blame the British Columbia weather for the decline in exports in the whole sterling area in the month of January, 1950, of $21 million. British Columbia weather can take a lot of responsibility, Mr. Speaker, but I do not think it can be blamed for that.

Mr. Diefenbaker: It has been blamed for unemployment, too.

Mr. Fulton: As the hon. member for Lake Centre has said, British Columbia weather has been used to explain unemployment out there. I hardly think it explains the unemployment in New Brunswick, where those engaged in the pit prop industry have lost the United Kingdom market. I hardly think that British Columbia weather explains the fact that the apple growers in British Columbia have not sold a box of apples to the United Kingdom in two years. It hardly explains why it was necessary for the British Columbia apple growers to give away a million boxes this year.

Mr. Howe: It was not necessary. That was the result of their generosity.

Mr. Fulton: Perhaps the minister will explain these matters when he makes a contribution to the debate. The dominion bureau of statistics figures show, Mr. Speaker, that trade in the whole sterling area in the month of January, 1950, declined by $21 million as compared with the month of January, 1949.

At six o'clock the house took recess.

[Mr. Fulton.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Fulton: Mr. Speaker, just before the house took recess at six o'clock we had heard the Minister of Trade and Commerce make the extraordinary statement that the British Columbia winter was mainly responsible for the decline in trade with the United Kingdom. That statement is almost as extraordinary as the statement made—or the impression sought to be left yesterday—by the Minister of Agriculture that the policies of the Bennett government away back in 1932 are responsible for the present decline in trade with the United Kingdom. Anything and everything is blamed by the government except their own policies which have been proved in detail, and with facts and figures in support, to be the main reason for the decline in our trade.

We heard this evening another most extraordinary statement by the Minister of Trade and Commerce which will be found in *Hansard,* that the gift of a million boxes of apples to the United Kingdom by the British Columbia fruit growers was made, not because they had a surplus but merely because the fruit growers were in a generous mood. Of course that is the most extraordinary and I would say irresponsible statement of them all. If that is the attitude of the government toward our fruit growers then I feel that there is not much prospect of assistance or of any realistic measures being taken to tide them over a most difficult situation. That remark is an example of the sort of remark that is tossed off when the government finds itself in difficulty. They have not any real explanation and therefore they seek to deal with a thing by flippancy and evasion. The fact is that we have a situation where our trade with the United Kingdom and the sterling areas is declining at such a pace as to call for measures of the most energetic sort to be taken in conjunction with other countries of the commonwealth to put an end to this trend.

In dealing with the remarks made yesterday by the Minister of Agriculture we find that not only does he appear to indulge—and other hon. members besides myself have suggested this—in double-talk, saying one thing at one time and another thing at another, but he now wants to make his speeches in duplicate. For instance, yesterday he felt it would be a good idea to read at length from a radio speech he made in the election campaign last June. Not content with reading his own speeches over again to the house, he wants us to read them too. We heard him this afternoon trying to have the hon. member for Lake

Centre (Mr. Diefenbaker) read his speeches over again. If they had been any answer to the situation, that would have been bad enough, but when they are not, when their only purpose is to further confuse the situation, that is confusion worse confounded.

The minister's whole position that the export of agricultural commodities to the United Kingdom is continuing at a satisfactory level is contradicted, not only by others of his statements but by the facts as well as by other members of the cabinet. We have the Minister of Finance (Mr. Abbott) taking a very serious view of our declining trade with Great Britain. When the Minister of Finance was presenting his budget to the house last March he made the definite statement that the Canadian authorities had made official representations to the United Kingdom authorities against the barter deals being entered into between that country and other countries, some being behind the iron curtain. I feel that this situation is serious enough to warrant us in asking the government and the minister to let us know what representations were made, to whom they were made and the results of those representations.

Mr. Fleming: They also warrant the minister's attention.

Mr. Howe: Can't you make a speech without us? It is not very interesting.

Mr. Fulton: I sometimes think the country could be run without you. I suppose a speech in the house could be made without the minister's attention.

Mr. Abbott: The only trouble is that my hon. friend makes too many speeches and too dull.

Mr. Fulton: That is typical of the attitude taken by the government. They think that all speeches made by the opposition are too many. They would like to run the country without any opposition at all but it will be some time before they do that. However, let us not become heated. It did so happen that I was dealing with some statements made by the minister at the time he presented his budget last spring and I should like to quote now from a press report of his remarks as follows:

> The government of Canada has made repeated requests at the very highest level that authorities in the United Kingdom and other commonwealth countries do all that they can to take advantage of the favourable opportunities which Canada has offered for their exports.
>
> The Canadian government has also made it clear that it does not look with favour on purchasing arrangements or bilateral trade deals which tend to divert away from Canada either British or colonial products which otherwise could be sent here,—

I was hoping, in view of the somewhat similar statement made some time ago by the Minister of Agriculture, that the Minister of Finance would tell us to whom the representations were made and what have been the results. It is stated here that the representations were made on the official level. I refer to that as indicating that at least one or two ministers, for a short while at any rate, recognized the fact that our trade situation vis-à-vis the United Kingdom and the sterling area is in a serious position.

But we find the Minister of Agriculture at this time departing from or contradicting the statements which he made formerly that we could not dispose of Canadian agricultural production because of the situation with respect to sterling trade and saying that we have no surplus production to dispose of. The Minister of Agriculture made a statement, as reported on page 288 of *Hansard* of February 27, that the only surplus we have now is cheese and he said, "We are carrying that right now".

I ask the Minister of Agriculture: If there are no surpluses why did the British Columbia apple growers have to give away a million boxes of apples to the United Kingdom? The minister is contradicted in connection with this matter, not only by his previous statements but by the facts. He is contradicted in this matter as he is in so many other matters. For instance, we all recall his words during the last year or two when this subject was being discussed when he said that there was no market for Canadian apples in the United Kingdom. Not only did he say that the United Kingdom cannot buy Canadian apples; he said that the United Kingdom is now producing all the apples it needs for its own domestic consumption.

He painted a picture of millions of apple trees in England groaning with apples, their branches loaded down to the ground. If that was the fact why did the British government accept so gladly and so readily the gift of a million boxes of surplus Canadian apples, and incidentally turn around, as I have heard, and market them in their domestic market at a substantial profit? We find the Minister of Agriculture making this statement on June 6 in the election campaign at Spy Hill, Saskatchewan.

You know, Mr. Speaker, I think it would be interesting if the Minister of Finance (Mr. Abbott) and the Minister of Trade and Commerce would let the house in on this little tête-à-tête they are having. It seems to be very interesting or amusing. They are certainly gesticulating wildly at each other. I hope it does not indicate another split in the cabinet. However, the ministers

can carry on their little tête-à-tête. I assure them it does not bother me because if their statements to each other are as wildly inaccurate as their statements to the public they probably would not be very edifying anyway.

Mr. Abbott: I can always follow my hon. friend better when I read him in *Hansard* afterwards.

Mr. Fulton: That is more than we can say for some of the minister's statements and for some other statements which do not always appear in *Hansard* in the way in which they are heard in the house.

Mr. Speaker: I do not know whether the hon. member is reflecting on *Hansard*.

Mr. Fulton: Far from it, Mr. Speaker.

Mr. Abbott: I do not think so.

Mr. Fulton: I intended no reflection whatsoever on *Hansard*. Quite the other way around. I think this situation we have now, and the conflicting statements coming from the ministers as to whether or not there are any agricultural surpluses in Canada, are sufficient to warrant us calling for a meeting of the agricultural committee before which experts of the various departments might appear and let us have the facts and figures as to agricultural production in Canada and the existence or otherwise of surpluses in these various commodities.

Yesterday when the Minister of Agriculture was dealing with the question of the marketing of our agricultural goods in the United Kingdom and sterling areas he resorted to what has become a favourite trick. When confronted with a situation for which he has no real answer he went back to the 1930's, and he tried once again to say that the whole responsibility for the situation rests on the Bennett government and the imperial trade conference of 1932. I should like to refer to what the minister said yesterday as reported at pages 572 and 573 of *Hansard*. As a matter of fact he went back away beyond 1932. He started back in 1877. This government has been in power for fifteen years and yet they are still blaming what goes on today on what Sir John A. Macdonald said in 1877. The Minister of Agriculture is reported as follows:

> All I want to say about it is that from the time Sir John A. Macdonald made his speech at Stanstead, Quebec, in 1877 to the present day Conservative policy has been a policy opposed to trade as a solution for the problems of this country, and the policy of the C.C.F. party as announced is the same. On the other hand, the policy of the Liberal party has been one of trade in order to improve the affairs of this country.

At that point he was interrupted by the hon. member for Victoria-Carleton (Mr. Hatfield) who said "free trade." Incidentally, I should like to differ there even though that member is a member of my own party. I should like to point out that the Liberal party, avowedly a low tariff party, has in fact during the period of its power had higher tariffs than any other government in the history of Canada. The minister continued:

> Therefore we have had good times when we have had a Liberal government in power, and we have had bad times when we have had a Conservative government in power.

Some hon. Members: Hear, hear.

Mr. Fulton: I am glad to hear my hon. friends applaud that statement because perhaps they will applaud the figures I am now about to give them. If they will look at the dominion bureau of statistics volume entitled "Trade of Canada for the year ended December 31, 1948" volume I, there they will see the record of our trade with the United Kingdom and other countries year by year up to and including 1948. If they will look at those figures and examine particularly the ten years from 1928 to 1937 inclusive they will see that the decline in our trade with the United Kingdom, the sterling area and all other foreign countries started in the year 1928, and continued with increasing velocity up to the year 1930. Certainly it has to be admitted it continued until 1932. A Conservative government came into power in 1930 but the downhill momentum was so tremendous that it could not be arrested until 1932.

In that year steps were taken to correct it and restore Canada's trade with the sterling areas. Those efforts were successful. If hon. members will analyse these figures they will find in every year from 1932 on our trade increased, and continued to increase, gradually working its way back to the position it was in before it was wrecked by the policies of the King government as they took effect in the years 1928 to 1930. I have the figures here, Mr. Speaker, and I should like permission to table them in *Hansard*. First, however, I should like to make this analysis. If you take the table showing Canadian exports to the United Kingdom you will find the highest figure before 1930 was in 1925; the lowest year was in 1931. From 1928 to 1930 our exports to the United Kingdom declined by 47 per cent, nearly one-half the volume. They reached their lowest point in 1931 and they started up again in 1932. From 1931 to 1935 they increased by 77 per cent under the Bennett government as against a decrease of 47 per cent under the King government.

Taking Canadian exports to other British countries, the highest figure before the depression was in 1929. They reached their

lowest level in 1932. From 1928 to 1930 there was an over-all decline of 18 per cent. They reached their low in 1932 and increased from 1932 to 1935 by 94 per cent as against an 18 per cent decline in the last two years of the King government. If you take Canadian exports to all British countries the trend is the same. They were highest in 1926 and they were lowest in 1932. From 1928 to 1930 they declined by 44 per cent. After the economic conference of 1932 they began to go up, and between 1932 and 1935 they increased by 73 per cent as contrasted with a decline of 44 per cent in the last two years of the King government. Therefore there is good foundation for the statement that the Liberal party is absolutely wrong when it tries to saddle the responsibility for the depression on the Bennett government knowing full well that is not the fact, that the depression started in 1928.

I will give one typical set of figures; our exports to all British countries. They declined from $545 million in 1928 to $316 million in 1930, a decline of $230 million in two years. Yet my hon. friends say the depression was caused by the Conservative government under R. B. Bennett, when the fact is that the Bennett government inherited this accelerating and tremendous decline in our overseas trade. They had the courage to take steps to deal with it, as they did at the economic conference of 1932. The figures further substantiate the statement that from that period on our trade with the United Kingdom and the other commonwealth countries, as well as with the rest of the world, expanded steadily under the impetus of that imperial economic conference.

That is why we say the time has now come, when we see a similar trend beginning, to take steps to counteract it. The Minister of Trade and Commerce admits a two per cent decline in trade with the sterling area in 1949.

Mr. Howe: In our exports, not in trade.

Mr. Fulton: Two per cent may not sound very much, but it is in the neighbourhood of $15 million, and indicates a trend which, according to the releases that are coming to hand, is continuing. That trend certainly demands that the government take some step such as the immediate summoning of a commonwealth trade conference to deal with the situation and put Canada's trade on the upward track instead of allowing it to continue on the downward trend it is now taking.

Mr. Dickey: Would the hon. gentleman care to put on *Hansard* the comparable figures showing Canada's trade with all countries for the years he has mentioned?

Mr. Fulton: I shall be glad to do so, and I would ask permission to place these tables on *Hansard*. They are taken from the volume of the dominion bureau of statistics to which I have referred.

Mr. Speaker: Has the hon. member consent to place these tables on *Hansard*?

Some hon. Members: Agreed.

Mr. Fulton: And in reply to the question of the hon. member for Halifax (Mr. Dickey) I may say that the figures showing Canada's exports to all countries other than those of the commonwealth show the same trend, declining from $794 million in 1928 to $547 million in 1930 and to $272 million in 1932, when the low point was reached. From that time on they began their slow, steady climb until the high point was reached in 1941. The tables are as follows:

TABLE I

Canadian Exports to United Kingdom

1928	$447,867,539
1929	291,829,232
1930	236,527,017
1931	171,660,175
1932	179,094,627
1933	211,313,930
1934	271,369,655
1935	304,318,168
1936	396,270,341
1937	403,358,618
1938	341,424,375

Highest figure pre-1930: $493,170,355 (1925)
Lowest year: 1931
Increase from 1931 to 1935: 77 per cent
Decrease from 1928 to 1930: 47 per cent

TABLE II

Canadian Exports to Other British Countries

1928	$ 99,227,726
1929	105,006,494
1930	81,128,537
1931	49,183,951
1932	38,985,273
1933	44,483,457
1934	64,926,281
1935	74,143,267
1936	84,294,078
1937	104,159,107
1938	103,213,752

Highest figure pre-1930: $105,006,494
Lowest year: 1932
Increase from 1932 to 1935: 94 per cent
Decrease from 1928 to 1930: 18 per cent

TABLE III

Canadian Exports to all British Countries

1928	$545,356,393
1929	395,301,058
1930	316,342,496
1931	219,781,406
1932	217,156,953
1933	255,180,681
1934	335,418,138
1935	377,644,113
1936	479,646,028
1937	506,221,201
1938	442,902,437

Highest—1926: $554,924,454
Lowest year: 1932
Increase from 1932 to 1935: 73 per cent
Decrease from 1928 to 1930: 44 per cent

TABLE IV

Total exports to foreign countries including U.S.A.

1928	$794,053,169
1929	757,115,272
1930	547,341,265
1931	367,872,034
1932	272,726,159
1933	274,268,848
1934	313,896,098
1935	347,333,346
1936	458,178,905
1937	491,145,717

Highest—1928: $794,053,169
Lowest: 1932
Decrease from 1928 to 1930: 31 per cent
Increase from 1932 to 1935: 27 per cent

Mr. A. J. Bater (The Battlefords): Mr. Speaker, in rising to support the motion for the adoption of the speech from the throne I first want to pay the usual tributes. I desire to pay a tribute to the Prime Minister (Mr. St. Laurent), in that last December by a vote of several of the newspaper editors of our country he was selected as Canada's man of the year. I am happy to state also that running him a close second was an hon. gentleman to whom we listened with great interest this past week, none other than the Secretary of State for External Affairs (Mr. Pearson). I regret that my tribute to you, Mr. Speaker, is rather belated; but while late, it is none the less sincere, and I take this opportunity of congratulating you upon your elevation to your high office and the manner in which you are carrying out your duties. I am sure the message you gave us last session on the occasion of the visit of the Prime Minister of India will long linger in our memory.

Since coming here for this session I have heard that there was an election in The Battlefords constituency just a month ago. I am not going to say anything more about that election; enough has been said already. Speaking of elections, however, early in this debate something was said about ballots and ballot boxes in the last election, and there was some reference to ballot boxes as they are used in Russia and ballots as they might be used in China. Well, Mr. Speaker, I contend that there is not and never will be any comparison between the ballots we use in this country and the ballots used in Russia or China, and that is so for one great reason. We have a great pillar of the democratic system which I believe will prevent anything like that happening in this country. That great pillar is none other than the Canadian press. As our press operates from day to day, during election campaigns, between campaigns, and even in this very chamber, with its piercing eye and ever-listening ear, it will see to it that the ballot continues to mean just what it should mean.

We have heard a good deal about the right hon. Minister of Agriculture (Mr. Gardiner). I am not going to take up very much time in this connection, since I noticed this week that he is well able to take care of himself. I believe he and his colleagues are well aware of the fact that as agriculture prospers so does the rest of Canada, and I am sure he will see to it that agriculture in this country does prosper. I do not believe anyone in Canadian politics has ever attempted and accomplished more not only for western agriculture but for agriculture in general than has the minister.

A great deal is being said about trade. We hear hon. members say, "Why are we not importing more from Britain, because that is the only country that buys our wheat?" On the other hand they say, "Oh, but we must be careful about what we bring in. You must not bring anything into my constituency that will interfere with any factory already operating there." I contend that we are rather inconsistent when we discuss the question of trade with Britain. We have been told a conference should be called. I believe that before we sponsor a conference of the British commonwealth nations we should call an all-Canada conference, so we can all get our feet under a table and decide just what should be brought into Canada and what should not, and how much we are going to send to Britain. We should do that instead of one moment saying we must have more trade with Britain and the next moment saying we must not bring in lawn mowers or textiles because they interfere with the economics of our own country. These are things which I believe should be given careful consideration.

Now I should like to say just a word or two about the constituency of The Battlefords, which I have the honour to represent. No doubt others have spoken about it previously, but I should like to say just a word in passing. As most of you are aware, the constituency of Battleford reaches from a point thirty miles west of Saskatoon to the Alberta border. No. 5 highway, as it is known now, and which I hope will eventually be known as the trans-Canada highway, cuts right through my constituency. In the centre of it there is the city of North Battleford. In the western part, on the Alberta border, there is the oil town of Lloydminster. The agriculture is chiefly mixed farming, although considerable grain is being grown, but not as much as on the wheat plains farther south. A considerable number of cattle are raised, and we have some of the finest herds of Hereford, Shorthorn and Aberdeen Angus cattle that you will find in any constituency in the dominion. In 1947 the largest fat stock show in the dominion was held in the city of North Battleford sponsored by the North Battleford agricultural society.

I believe most hon. members are aware of the fact that at Lloydminster there is the largest black oil field, not only in Canada, but I think I am safe in saying on the North American continent. Speaking of the oil field at Lloydminster, I should like to say a word or two about the curtailment of railway service which took place recently. I believe the service is to be resumed today. I want to sincerely thank the Minister of Transport (Mr. Chevrier) and the president of the Canadian National for their prompt replies to me, and the courtesies they extended while I was writing on behalf of the travelling public, the businessmen of the city of North Battleford, as well as the railwaymen of the divisional point of North Battleford. I hope this curtailment will turn out to be a blessing in disguise. It is my opinion that, in so far as the Canadian National Railways are concerned, a thing of that sort should never be permitted to happen again. If necessary, higher subsidies should be paid on our own Canadian coal and our oil, so that it could be transported to the points at which it is required. This would enable the Canadian National to have plenty of both, and not require American dollars to purchase. If we do this, we will be creating more work for the coal miners, as well as the men in the oil fields. We will be creating more jobs for the men on the Canadian National Railways.

The mention of railways recalls to my mind that the Hudson Bay railway was mentioned this afternoon. I should like to point out that, so far as this railway is concerned, no party has done more towards the construction and operation of the Hudson Bay railway than the Liberal party. They built it, and they built the elevators as well. I have received information to the effect that one can bring cattle from Scotland to the port of Churchill at a rate of £100 per head—not dollars, but pounds. I believe I mentioned this specific case at the last session. I think this is something that requires investigation. Some insurance company should look into the matter of underwriting the rates on stock, and possibly on other commodities that could be brought to the port of Churchill. Perhaps the Saskatchewan government could investigate the matter, because I understand it is in the insurance business. I just received this information the other day, and I think it bears investigation.

Mention was made today of the Prairie Farm Rehabilitation Act. It is my belief that this is something for which we should give credit to the right hon. Minister of Agriculture (Mr. Gardiner). I believe he has made an honest endeavour to have that act extended to every section of western Canada, as well as to other parts of the dominion. In speaking about the Prairie Farm Rehabilitation Act, the member for Lake Centre (Mr. Diefenbaker) followed his usually critical line. He has constantly blamed the federal government for the delay in the completion of the South Saskatchewan project. I would point out to the hon. member that both the Saskatchewan and Alberta governments have at last agreed with the contention of the Minister of Agriculture, that the provinces have a financial responsibility in connection with these irrigation projects. I have no doubt the member for Lake Centre will be surprised, and I hope delighted, to know that an agreement has been finally entered into between the Alberta government and the federal government concerning the St. Mary's project. It is hoped that this agreement will serve as a model for other agreements, as the Minister of Agriculture prophesied at the last session.

Some reference was made also to the Crowsnest rates. I should like to point out, Mr. Speaker, that the only time we were in danger of losing the Crowsnest rates was during the period when Mr. Meighen was in charge of the government. At the end of the first great war a bill was introduced into the Commons, and passed, which would have done away with the Crowsnest rate. The late Senator Watson, a Liberal from Portage la Prairie, moved in the Senate that the bill be returned to the Commons to have a clause inserted that the rates could be suspended for three years only. When the matter came up in 1922 the Liberals were in office, and the rates were finally restored to their statutory position. Coming to a more recent period in connection with these rates, it was at the last session that the western Liberal members in this house signed a petition requesting that these rates be not interfered with. This petition was forwarded to the board of transport commissioners.

I am sure all members were pleased to note the reference in the speech from the throne to the forthcoming Indian Act. At the last session, I believe the Indians were referred to as the forgotten men. I am sure we are all pleased, and hopeful, that something will come out of this that will give the Indians a better deal in these changing times.

There is another group I should like to mention, not quite so numerous as the Indians, and that is the Northwest Mounted Police. I recall, as I suppose many of the members from the west do, that in the severe winter of 1906 and 1907 the mounted policeman used to ride into our yard. At that time we were living about 22 miles from Battleford. He did not ride into the yard then in

a snowplane, but on horseback. On several occasions the policeman stayed for dinner, fed his horse, and before leaving asked my father to sign his patrol book to show that he had been looking after the settlers to see that no one was going hungry or suffering. These are the men who, today, should not be allowed to want for the comforts or necessities of life. I hope that something will be done for them. Just prior to coming down here I was speaking to the wife of one of those members who is eighty-two years of age. She informed me that they were not in want but she knew others that had been in the forces along with her husband in the early days who, she thought, could well do with assistance. I hope the government will give consideration to these men. There are not many left and they should not be allowed to want.

should like to ask what price must be paid to attain a world of peace and plenty. The terms are easy and are such as will finally benefit all and harm none. We shall not have to surrender any greater measure of our national identity, aspirations or ideals than you and I have to surrender as individuals in co-operating to maintain law and order within the nation; but we shall have to abandon the fallacy which teaches that we can become prosperous by limiting production and restricting trade, because political co-operation and economic isolation cannot exist side by side. What is required does not involve some new and untried scheme of social relationship or fantastic economic theory; it is simply the removal of those artificial barriers between men and nations that have been at the root of all our international differences, and the restoration to all the people of that most valuable privilege of organized society, the right to trade freely, one with another. Freedom of trade and intercourse between men and nations goes hand in hand with understanding and good will, and provides the only way in which all can be assured of that equality of opportunity that should be the inherent right of citizenship.

As our ship of state takes to the high seas of nationhood and international affairs, with the Prime Minister as the captain, his cabinet colleagues as his officers and the hon. members who support him making up the crew, I think I can safely say that our Prime Minister is well aware of the fact that in order to reach a port we must sail, sometimes with the wind and sometimes against it. We must, however, sail; we cannot drift or lie at anchor.

In conclusion, Mr. Speaker, I should like to quote a poem by Will Allen Dromgoole, which in my opinion should express the outlook of this parliament. I should also like these words to be my personal tribute to one whom it was not my privilege to know for a long period of time; I became acquainted with him during the last session. On a few occasions we walked together from this building down to the hotel. The person to whom I refer and to whom I wish to pay tribute is the late T. L. Church. The poem is as follows:

An old man going a lone highway
Came in the evening, cold and grey,
To a chasm vast and deep and wide
Through which there flowed a sullen tide.

The old man crossed in the twilight dim,
The sullen stream had no fears for him,
But he stopped when safe on the other side
And built a bridge to span the tide.

"Old man", said a fellow pilgrim near,
"You are wasting your strength with building here;
Your journey will end with the ending day,
You never again will pass this way.
You've crossed the chasm deep and wide,
Why build you this bridge at evening tide?"

The builder lifted his old grey head,
"Good friend, in the path I have come," he said,
"There followeth after me today
A youth whose feet must pass this way.

"This chasm which has been naught to me
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim,
Good friend, I am building the bridge for him."

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, I have only a few rather brief remarks to make in this debate on the address in reply to the speech from the throne. I should be sorry, in fact, to take up an undue amount of the time of this house. I shall therefore be brief.

I am pleased to congratulate the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne. In my humble opinion, both have done excellent work and any praise I might offer would not add to the intrinsic value of their speeches.

By means of the speech from the throne the government has made known the problem of unemployment in this country. Although I do not wish to indulge in unnecessary discussion, I feel it is my duty to point out that unemployment has reached alarming proportions in the constituency I have the honour to represent. From nearly all parishes in my constituency I received petitions signed by hundreds of people and resolutions from municipal councils expressing concern at the seriousness of the problem. After a summary survey, I am in a position to state that there are over 2,500 unemployed in my constituency at the present time. Some villages are greatly affected. And then the fact

that the great majority of the unemployed are labourers and lumberjacks, and therefore not entitled to unemployment insurance benefits, makes the situation all the more serious. One readily realizes, Mr. Speaker, the alarming situation of those men who, for the most part, are heads of families. They have been out of work for the past four, six and even ten months and their only income is derived from family allowances which, useful as they may be, under the circumstances are admittedly inadequate to ensure a decent standard of living. And yet the situation would not be so serious if all those who are fortunate enough to have a job were being paid fair wages.

Speaking in this house on February 20 last, the right hon. Prime Minister (Mr. St. Laurent), as reported at page 53 of *Hansard*, stated:

> Our pulp and paper people felt that it would be a prudent thing to reduce the size of their inventories in which so much of their working capital was tied up at rather high costs of production.

I admit these production costs are rather high, but the companies have reduced their inventories. They have not omitted, however, to reduce, in a shameful manner, the price paid to small operators for pulpwood, and the salaries paid to woodcutters for job work. In view of the price the paper companies get for pulp, it really is a shame that they should be allowed to pay these forest labourers the meagre wages they force them to accept with a knife at their throat, if I may say so. The forest labourer is not concerned with the fact that the paper companies have reduced their inventories. He is uneasy and wonders what has suddenly happened in the pulp industry that his salary should be cut by one-half or even two-thirds, while paper is still selling as high as a year or two ago, and even higher.

Last week I went through my constituency. It is inhabited by responsible people, by good workers who usually earn their living through hard work. A year or two ago, those people were getting between $5 and $7 to cut a cord of wood; this winter, under almost identical conditions, the companies are only paying $3, $2.50 and even $2. Would that be the result of exploitation by a combine or trust? With bitterness and resentment, the forest labourer ponders over the question. This would undoubtedly be an excellent field of inquiry for the investigating body that has become famous since last year's report on the flour milling industry.

Mr. Lesage: Will the hon. member permit a question? Is he aware that a provincial law deals with minimum salaries for forest labourers in Quebec? Under the circumstances the law is administered by the provincial government. Therefore, as the matter concerns workers of the province of Quebec, it should be referred to Mr. Duplessis.

Mr. Poulin: I am perfectly aware of that legislation. It hardly matters what political party has the right and duty to see that people abide by the law. As far as I am concerned, I avail myself of the means at my disposal to defend the lumberjacks' rights.

In any case, I have not blamed the federal government for lumberjacks' low wages. If any combine is operating, however, this is a splendid opportunity for the investigating commission I mentioned earlier to resume its task. I therefore urge with all the energy I can muster that lumberjacks be paid wages worthy of human beings.

If the government should ever decide to undertake public works for the relief of unemployment in the Beauce district, our municipalities would gladly supply a list of practical, useful, feasible and reasonable projects that would prove an asset to our parishes.

Discussing means to relieve unemployment, the Prime Minister also stated in the house, on February 20 last, as reported on page 58 of *Hansard:*

> But there will inevitably be some residuary problems from time to time in some areas, and the initiative in dealing with them must be taken by the local authorities.

That is, in my opinion, exactly what local authorities are doing and that is why the heads of municipalities in my constituency sent me several resolutions and petitions asking the federal government to help them solve a problem with which they did not feel competent to deal.

These municipal governments are acquainted with local needs. Better than anyone else, including members of the cabinet and the representatives of all the parties in this house, they know that inadequate means are at their disposal to meet these needs. Our parish authorities know perfectly well that local governments are not capable of coping with this crisis. Our municipal governments are prepared, or should be, to do their share, in a very small way, of course, towards paying for these projects I mentioned a moment ago.

Everywhere enlightened people ask us to intensify the struggle against communism

here in Canada. May I modestly point out that poverty is a poor counsellor, that it is always in the seedbed of undeserved poverty that communism takes root most easily. Would not the expenditure of a few hundred million dollars to give the poor jobs which would preserve their dignity as free men be a way of making them happy and, as a result, of making them impervious to the come-hither of communism? It is only fair, I think, that we should ask ourselves this question.

And now let us look into another matter. I was very much interested in the remarks recently made in this house by the hon. member for Portneuf (Mr. Gauthier). In his capacity as a practising physician he dealt with a subject to which he has often addressed himself and which, to my mind also, is of great importance. As a matter of fact it is one which commends itself to both of us, since we are members of the same profession. I am speaking now of alcoholism amongst our people.

Is there anyone here who has any doubt whatever in regard to the importance of that problem in this country? Let us consider the statistics which I am about to quote; they give a comparative estimate of what the average Canadian spent towards the necessities of life, during the year 1948. I quote:

(Text):

According to the *Temperance Advocate* of October, 1949, the average Canadian spent in 1948:

Private and university education	$ 5 00
Jewelry	5 50
Tobacco	24 00
Fuel	27 00
Medical and death charges	28 50
House furnishings and appliances	47 00
Alcoholic beverages	48 00

(Translation):

Those figures, as will be readily admitted, are worthy of consideration by any serious-minded person.

I believe that the hon. member for Portneuf is altogether right in requesting the Minister of National Health and Welfare (Mr. Martin) to intensify his preventive medicine campaign by the inclusion of the fight against alcoholism.

The prevention of alcoholism is a matter of education at all levels: at home, at school and after graduation. I do not believe that either rules or the police can stop people from drinking. The experience of hundreds of years confirms my conviction. The following is a statement made a few weeks ago in Montreal by Dr. Adrien Plouffe, associate director of the health department of the city of Montreal:

[Mr. Poulin.]

The prevention of the manufacturing and of the sale of alcoholic beverages is a myth, a fabulous thing impossible of attainment. The prevention of alcoholism is a matter of education.

Mr. Speaker, no one is made virtuous by order in council, and long ago Cicero, the prince of lawmakers, said:

What good are laws without morals?

What good are laws without a willingness to respect them, and without the convictions necessary to accept their yoke? And where can we acquire such convictions, if not from education?

And such education must come from above. A Chinese proverb states:

If you start cleaning stairs at the bottom, they will always remain dirty.

To start teaching temperance to the lower classes is a good thing, I admit, but it is not enough. And in this connection, I wish to express my admiration and gratitude to an organization which has devoted itself to the fight against alcoholism through the simple practice of complete abstention. This organization is known as the Cercle Lacordaire. It extends over all of the province of Quebec and to part of the provinces of New Brunswick and Ontario.

Having reached its tenth anniversary, it already has 90,000 members who, as human beings, are apt to make mistakes but who nevertheless bring their important, I would say essential, contribution to the organization of the fight against alcoholism. I might call this group a sort of people's university. It is far from being sufficient, however, and I would urge the minister of health to launch and support a wide educational campaign of temperance. Again I ask the hon. minister, who is apparently well disposed, to use all his influence in order that our Canadian universities may join, support and even lead the movement. Besides, it would be of little avail for our universities to pour into our communities hundreds of graduates, technicians, and scientists if these very communities are being gnawed by the cancer of alcoholism.

What is done elsewhere, and especially in the United States, could and should also be applied in Canada. Every Canadian university should scientifically teach the nature of alcoholism, its evils, its prevention and cure. Each medical faculty in Canada should have a clinic for the treatment of alcoholics, not only to cure drunkards, but also for the purpose of teaching how to prevent alcoholism. All our universities and schools of medicine have departments or clinics dealing with social

scourges like tuberculosis, syphilis and infant mortality. But, like the monkey in the story that forgot to light the lantern, we forget only one thing: to look after that other social scourge that all too often breeds the others, alcoholism. And I have proof to support my contention.

Mr. Speaker, I wish to add a word about another matter which bears some relation to the one I have been discussing since it also deals with education. On April 8, 1949, the Prime Minister tabled in the house order in council P.C. 1786, setting up a royal commission on national development in the arts, letters and sciences. The commission was brought into being, among other reasons, to inquire into and submit recommendations on the following matters, as stated in section (d):

> Relations of the government of Canada and any of its agencies with various national voluntary bodies operating in the field with which this inquiry will be concerned.

Public hearings have been held in many places in Canada and numerous organizations or individuals have stated their views on various aspects of the problem.

Now, before the hearings had come to an end, before the commissioners paid by the public treasury had finished gathering and collecting the evidence, one of them prematurely issued a statement which is questionable in content. Indeed, Reverend Father Lévesque of Quebec city, a member of this commission, is alleged to have said something to this effect:

> Mere academic education and culture are two different things, when education in general is being referred to. The former comes under the direct jurisdiction of the provinces, while the latter might be a matter to be dealt with by the federal government. No one is more anxious than we are to leave exclusively academic education within the purview of the provinces. There remains popular education or culture in general. We are concerned here with human thought. In this field, the federal government can legitimately play its part. I have quoted *Le Devoir* of February 20, 1950. Since then, I have never seen any denial of this quotation. I therefore have every reason to assume that the quotation agrees with the facts.

The least I can say is that nothing was forcing this commissioner to make so hasty a statement. Had he waited until the end of the survey, he might have altered his judgment. Perhaps he would not have uttered a statement disapproved of by an important section of the people of his province.

I hold this great educationist in the highest regard, yet I feel I have a right to discuss his opinions just as he is entitled to discuss mine. Is he ready to accept for our young people all that will come from federal institutions? If not, who will distinguish between what is acceptable and what is not? For my part I refuse to accept that and I am far from being the only one who holds that opinion in the province of Quebec.

Moreover that premature judgment is liable to influence the reports which have been or will be submitted to the commission. Why make a survey if the minds of the commissioners are already made up?

I would therefore advise those who are responsible for this commission to make representations to the commissioners and suggest that some of them show themselves less anxious to hand over to the federal government those things which, in my humble opinion, are better left with the provinces. Should the federal government assist education under certain well-defined conditions? Yes, of course. But I am humbly though unalterably opposed to any direct intervention such as has been prematurely expounded by Father Lévesque.

I wish to add that the Canadian government should give the utmost consideration to the solving of the problem of the marketing and prices of our agricultural products. I know that this is a very complex problem and the government should therefore deal with it carefully. I recognize that the Minister of Agriculture (Mr. Gardiner) has done a great deal in the past few months to try and solve this problem. I am aware that the minister has followed a reasonable part of the suggestions which he received from the farmers. Some progress has been made but much remains to be accomplished. It must not be forgotten that in many provinces of Canada, including the province of Quebec, the success of agriculture is the very foundation of our economic and social security.

Agricultural associations are unable by themselves to solve the problem but they are in a position to advise the government. I wish to point out this particular aspect of the question. I believe that the professional agricultural associations who have made a detailed study of this problem and who, therefore, are well acquainted with it have already submitted many suggestions to the minister.

As for myself, several agricultural organizations in my constituency have acquainted me with their views and I have duly forwarded them to the authorities concerned.

I am confident that in the light of this information and with the good will of the minister it will be possible to better the lot of an extremely important and extremely interesting group: the Canadian farmers.

Even if I am perhaps imposing, Mr. Speaker, I would not want to conclude my remarks without recalling an incident in which you took part yourself last night, that is the handicraft exhibition of the province of Quebec now being held at the Chateau Laurier. This was not the first time that I saw most of the exhibits but to see them all exhibited in one place, especially outside the province of Quebec, and in a city so hospitable and sympathetic as Ottawa the beautiful, I believe is something that gives us a feeling of legitimate pride.

I noticed two items in particular. I might have been somewhat prejudiced at that moment, since the exhibits were being displayed by people from my own constituency of Beauce, Mr. Henri-Louis Lévesque and Mr. and Mrs. Gérard Poulin. These people have done magnificent work. The house will allow me to extend to them my congratulations and to assure them that their achievements are truly wonderful.

(Text):

Mr. T. A. M. Kirk (Digby-Yarmouth): Mr. Speaker, to the mover (Mr. Larson) and seconder (Mr. Dumas) of the address in reply to the speech from the throne may I extend my hearty congratulations and assure them that the brevity of my comment is in inverse proportion to the respect and admiration I have for their most excellent presentations.

As a new member I am deeply conscious of the outstanding representatives from western Nova Scotia who have sat in this house during the last two decades. One calls to mind immediately such eminent and outstanding parliamentarians as the Right Hon. J. L. Ilsley, who is now chief justice of the supreme court of Nova Scotia, and the late Colonel the Hon. J. L. Ralston, both of whom filled with great distinction many portfolios in the government. One also recalls Vincent J. Pottier, K.C., now a county court judge in the province of Nova Scotia, and judge in admiralty for Nova Scotia of the Exchequer Court of Canada, and Major Loran E. Baker, former parliamentary assistant to the Minister of National Defence.

Although the new constituency of Digby-Yarmouth had its borders altered to conform with county lines, with Digby municipality replacing Shelburne county, its general make-up as to economy and population is practically unchanged. The constituency is essentially a district of small primary producers, each with his own particular problems, and it is still unique in its inclusion of two great races—each bringing its own special characteristics to the moulding of a common citizenship. The counties of Yarmouth and Digby are a part of Canada where for generations those two great races, English-speaking and French-speaking Canadians, have lived side by side in perfect sympathy and understanding.

With reference to one of our primary industries, may I say that the statement made by the Minister of Trade and Commerce (Mr. Howe) on Monday last in the house, to the effect that trade commissioners in several countries are working on the sale of pit props and that there is some hope that sales will be made, is a ray of encouragement to the farmers and truckers of Digby county in particular.

As to the primary industry of fishing, may I say that during the last thirty years the production of fish in western Nova Scotia has doubled, and in my constituency the fishing industry is keenly aware of the program of development outlined by the Minister of Fisheries (Mr. Mayhew) to the house on December 6 last.

Canada has access to the world's greatest fishing resources in the Atlantic, and we want to see an expansion program that will not in any way permit the reappearance of any economic weak spots. The trend from salt fish to the fresh and frozen products is continuing, and we are fully cognizant of the necessity of modern processing in filleting, packaging and freezing.

Along the Digby coast investigations have been and are being made into the effect of dragging operations with particular reference to the complaint that the feeding grounds are being destroyed. The complaint that draggers are interfering with other methods of fishing by inshore fishermen is also being investigated. We await with keen interest the report on these two specific investigations.

There are certain other matters pertaining to the fishing industry which I look forward to discussing at a later date when the estimates of the Department of Fisheries are before the house.

Upon leaving the subject of commercial fishing, may I refer briefly to the international tuna tournaments held annually at Wedgeport, a centre of 1,500 people, practically all of whom are of Acadian French descent. The headquarters of the tuna tournament is Wedgeport, and from here the boats set out for the now internationally known Soldier's Rip, where the huge blue fin are caught by rod and line.

Last fall teams from the Argentine, Brazil, the British empire, Cuba and the United States took part in this competition. Next year we expect that there will be at least two teams from the Scandinavian countries. Last year in a period of a few weeks the anglers caught approximately 1,800 tuna, most of them

in the four, five and six hundred pound class. The largest caught to date by rod and line weighed 890 pounds. Tuna fishing is rapidly becoming one of Nova Scotia's greatest tourist attractions, and next summer we hope to have two of the hon. members from the front benches to the right of the Speaker take part in this sport as guests of the Wedgeport tuna guides association.

A constituency which depends in so large a measure on fishing and which has a coast line of several hundreds of miles is of course always in the minds of the officers and officials of the departments of fisheries, transport and public works. Such a coast line, with its many small peninsulas, capes, bays, harbours and coves, must of necessity have innumerable aids to navigation. Aids such as buoys, spars, lighthouses and lightships must be continually serviced and repaired. As a large part of this work must be done from a ship, it is the feeling of those who are always making use of these aids that it would be more economical and efficient if one of the ships being used for this purpose were stationed at Yarmouth, which is the central point of the coastal area from point Prim to Cape Sable.

At this time may I bring to the attention of the Minister of Transport (Mr. Chevrier) the request for the basing of such a ship at Yarmouth and refer him to the various resolutions concerning this matter which have already been forwarded to his department by interested organizations.

Now that the main estimates have been tabled, we of Digby-Yarmouth are exceptionally pleased to note certain specific items which have been included, but we regret particularly the exclusion of certain other items of great importance. I have already brought to the attention of the Department of Public Works certain of these projects which are of extreme necessity to the fishermen of the areas concerned. May I urge on their behalf that these projects be included in the supplementary estimates.

I know that the residents of the coastal areas of my constituency are exceedingly pleased with the field personnel of the Department of Public Works with whom they come in contact, and look forward to seeing the membership of the district engineer's staff brought up to full strength in the near future. In bringing these matters to the attention of the hon. the Minister of Public Works may I add one more request; that is, that additional small dredging units be made available in order to maintain full use at low water of the small fishing harbours, channels and wharves.

The inclusion in the estimates of one million dollars to be applied towards the construction of the automobile ferry which is to run between Yarmouth, Nova Scotia, and a port in Maine was received with acclaim by Nova Scotians in general. As announced by the Minister of Transport on December 7 last, the federal government and the government of the province of Nova Scotia are sharing in the capital cost of this ferry, which it is estimated will amount to three million dollars. The announcement of the inclusion of the one million dollar vote in the estimates is evidence of the intention of the federal government to proceed with the project as rapidly as possible. It is my understanding that at present Ottawa is awaiting a reply from the Nova Scotia government indicating its agreement with the details of the proposal. Just as soon as this is received the committee representing the various departments concerned will, I understand, be able to proceed immediately from the already prepared sketch plans to the detailed scale plans of the ship and to finalize the decisions concerning propulsion machinery and docking facilities.

This proposed ferry service will aid in maintaining the prominence of Yarmouth, the southwestern gateway to Nova Scotia, which for many years prior to world war II was the port of entry through which the greatest number of people entered Nova Scotia. It is the considered opinion of objective-minded citizens of western Nova Scotia that the inauguration of an automobile ferry service between Yarmouth and a port in Maine is as forward-looking a project as was the inauguration of a steamship service between Yarmouth and Boston during the latter years of the last century. Travel conditions have changed greatly in the last two decades, and a short daylight run across the Bay of Fundy from Maine to Yarmouth will prove of inestimable value. Such a ferry, designed primarily for passenger and automobile traffic will, I am certain, permit the development of both refrigerated truck and passenger bus businesses.

In closing may I say that many of those in various lines of business in the constituency of Digby-Yarmouth are now considering, and upon the announcement of the start of construction of the ferry will be making, definite plans to handle the increased tourist traffic and business in 1951.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to join with other hon. members in congratulating the hon. member for Kindersley (Mr. Larson) on the way he carried out his task of moving the adoption of the address to His Excellency, and also

the hon. member for Villeneuve (Mr. Dumas) on the admirable way in which, in two languages, he seconded the motion.

I was especially interested in the description of life in that strange province of Saskatchewan given by the mover of the resolution. It was interesting to hear of the busy ranches, the golden grain gleaming in the late summer sun, and all the happy, contented homes, where the people live long lives of Arcadian simplicity. But I think hon. members will agree that they had a rude awakening when the hon. member for Maple Creek (Mr. Studer) rose and said that taxes in that province were so high he was considering selling his farm, and recommended that the portion of the province west of the third meridian should be given to Alberta and the portion east of the third meridian should be given to Manitoba.

The hon. member for Villeneuve told us how rich and varied were the resources of his constituency, and painted a picture of giant ore carriers sailing up the deepened St. Lawrence with iron ore from the Quebec-Labrador mines to smelters that would be established in Quebec. That brought no applause from hon. members from the maritime provinces, because already established at Sydney are great blast furnaces which have been in operation for fifty years, where the coal from Sydney is used to smelt iron ore that comes from Bell island in Newfoundland, while the limestone from the west coast of Newfoundland is also brought in to help out in the process.

Iron is considered the most necessary element in the establishment and development of industry; and today Canada seems to be the richest country in the world in that respect. In addition to the iron ore mines of Bell island, which are capable of almost unlimited expansion, we have the new workings at Steep Rock, as well as the recent discoveries on the Quebec-Labrador boundary. There should be no reason why in addition to the blast furnaces in Sydney we could not have other blast furnaces in Quebec and Ontario. The future of Canada seems very bright with such large supplies of iron ore within our boundaries, particularly since the supplies of the United States in Minnesota appear to be on the verge of petering out.

The hon. member for Charlotte (Mr. Stuart) complained, as I have heard him complain before, about the indifference and neglect which the maritimes have suffered from the central provinces. He stated, as I am quite sure is the fact, that the goods purchased by the maritimes from the central provinces far exceed in value the goods which the central provinces buy from the maritimes. Yet in many sections of the maritimes, as those who have travelled there know, particularly in the country districts, there are homes that have an air of solid comfort.

There have been many interesting speeches and many very fine speeches during this debate, and one is tempted to discuss many subjects that have been brought to light. For example, the right hon. Prime Minister (Mr. St. Laurent) went to a great deal of trouble to give a detailed analysis of the unemployment situation which the government have been trying to minimize. He also gave us the work projects in hand for the construction season of 1950. However, I am very much puzzled by the various statements we have heard from members of the government. Listening to the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe) one would not think there was any great amount of unemployment in the country; but the figures show differently. Unemployment insurance paid out for the month of December was equal to that paid out for April of last year, a little over $7 million; but in January the amount paid out almost equalled the amount received in insurance premiums, nearly $12 million. So we had the spectacle of the Minister of National Health and Welfare (Mr. Martin), acting in the absence of the Minister of Labour (Mr. Mitchell), bringing in a bill and beseeching hon. members to let him rush it through the house as quickly as possible because so many people were out of employment and had been without work for so long that they had exhausted all the benefits to which they were entitled, and it was necessary to extend the benefits until April 30 of this year and provide that in future years those benefits should be extended for three months beyond January 1.

Is it not paradoxical that in this great, rich country, where the grain elevators are filled to overflowing with wheat, where there are surpluses at various seasons of the year in some commodities—even at the moment in butter, cheese, eggs and bacon—unsold and sometimes unsalable, that there should be 400,000 people receiving unemployment insurance? These people, because of the small amount received in proportion to their ordinary earnings, must be living at a reduced level. I ask hon. members of the government to give serious consideration to that paradox. It seems to me to be an extremely serious situation, which unemployment insurance does not cure. Public works on a large scale will not cure it either, because those are only temporary expedients and do nothing to eliminate the cause.

You will find, Mr. Speaker, that in talking about this subject most hon. members think of the income the people receive, without thinking of the property from which income is derived. It would be much better for the government to attempt to arrange for people to have productive property in their possession, as has been done in the administration of veterans affairs. When the veterans came home, they were assisted in securing land, from which they could earn a livelihood. Many of them were also taught trades. It seems to me that the huge amounts of money that are being spent on unemployment insurance are not producing the permanent results that we would like to see. Year after year, we are faced with this problem. It may become a serious problem. Neither the Prime Minister (Mr. St. Laurent), the Minister of Agriculture (Mr. Gardiner), the Minister of Trade and Commerce (Mr. Howe), nor the Minister of Finance (Mr. Abbott), nor any member of this house, can tell what will happen in the next twelve months in this country. One can only surmise. There is wealth here, but has it been well distributed? It is for that reason that I say it is urgent for all, whether in the provincial government or the federal government, to do all they can to assist people in getting possession of productive property, because that is what counts, more than mere income.

Only recently we heard that there were surpluses of farm products in the United States as well as in Canada. In that country there has been destruction of these products, as there was in the thirties. There has been destruction of potatoes, just as there was destruction of sows in the thirties. I remember at one time in 1933 when the government of Newfoundland was encouraged by the late Sir Wilfred Grenfell to ask the United States government to give us some of the sows that were being destroyed. We were not able to get them. If they had been available, the people of Newfoundland would have been able to raise pork. The government of the United States has arranged for the sale of a large quantity of potatoes to Spain at a nominal price. Owing to the drought in that country, there is a scarcity of vegetables and wheat. If Canada has a surplus of food, and I understand there are surpluses in some commodities, it would be better to give them away than to destroy them.

Another interesting speaker, who gave us a delightful speech in many respects, was the member for Saskatoon (Mr. Knight). He argued in favour of the recognition of the government of communist China, and stated that the sweep of the communist armies over China did not constitute a communist revolution. I should like to know what the hon. member desires to have as evidence of a communist revolution. I feel quite sure that Mao Tse-tung would not consider it a compliment if he were called something other than a communist, or something other than a revolutionary. I wonder if my hon. friend would ask the missionaries, who have escaped from that country, what they think of what happened out there. Missionaries have been insulted, murdered; and their churches have been desecrated. The missionary dispensaries that were used for the benefit of the people of China have been confiscated and destroyed.

The hon. member for Saskatoon also made an extraordinary statement, which he challenged anyone to deny, when he said at page 189 of *Hansard*:

> The only political force active at this moment against communism between the iron curtain and the Atlantic coast of Spain is the socialism of the democratic socialist nations such as Belgium, Norway, Sweden and Great Britain. Such socialist nations stand on guard for democracy in the Europe of today. I doubt if there is a member in the house who can deny that.

I am sure that my hon. friend will recognize that the presence of United States forces and United States officials in Europe administering the Marshall aid plan are also to be considered as political forces of some value. I think my hon. friend will recognize that in Belgium there is a strong Catholic party, and that in France the government of the day is mainly composed of members of the Mouvement Republique Populaire. The alliance between the socialists and the M.R.P. is intended to keep General de Gaulle from getting into power. In Western Germany there is a government of Christian Democrats, in which the Catholics and Protestants have combined to run the country through the dangerous and difficult problems confronting it as a result of the welter of hate that was engendered during the war. In Italy there is the Christian Democratic government of de Gasperi, assisted by the socialists it is true, but socialists of the right rather than socialists of the left. In Holland, there is a Christian Demoeratic government. I consider, Mr. Speaker, that the socialism of those two Scandinavian countries, Norway and Sweden, is not the kind of socialism to be found in other European countries. The people of those two countries are quite individualistic, and there are strong capitalistic enterprises in both of them.

Then, what would my hon. friend say of the government of General Franco? Would he not call that a bulwark against communism? In 1936, General Franco came over from Africa and fought his way through Spain until he had conquered the communists. Surely he is to be regarded as a political force of some account in the area the hon.

member mentioned. What does he say of the government of Salazar in Portugal? He has been in office for 24 years; once when he resigned he was invited by the people to return. What does he say, after the election in Great Britain, when the number of people who voted against the socialist government amounted to 15 million, while the number who voted for it amounted to 12 million? Will he not say they are a political force of some value who stand on guard against communism? "Christian Democrat", which is the term I have used to denote these Christian Democratic parties, was a term that was coined by Leo XIII. It meant that the government was to be guided by Christian principles. As my friend may be aware, the socialist parties of Europe are largely anti-Christian, and have not the same Christian outlook which I presume my hon. friend has.

I shall leave the members of the C.C.F. party alone for the moment, and revert once more to the members of the government. I am sure that many of us listened with amusement as well as amazement to the speech delivered by the Minister of Agriculture yesterday. No one will deny that the minister is a patriotic man. He is the most attentive person in this house. I should like to give him credit for that. He listens to all the speeches, even some which he must find quite uninteresting. I did not think he did himself justice yesterday. In the future, I do not think the minister will be proud of the exhibition he gave us. He knew that he was not giving a fair picture of the situation. He was exaggerating, and he was stating things that were entirely out of proportion. I listened to him speak about the great work which the Liberal party has done. I have no doubt the Liberal party has done good work; it has done wonderful work. During the past ten years trade has flourished under the Liberal government. If it had not flourished during the last ten years, it would not say very much for the intelligence of the members of the Liberal government.

After listening to the hon. gentleman, Mr. Speaker, I went to the library and asked for a book that would give the statistics on world trade. I found the United Nations statistical year book for 1948, and I have here many pages dealing with the trade of the whole world, or of the principal countries of the world. The Minister of Agriculture knows better than anybody else that the picture of trade between 1928 and 1948 was practically the same in every country throughout the world except in Europe during the war; there was a decline certainly beginning in 1929 with the stock market crash of that year when the bonds of some countries plunged down from $100 to $10, and the shares of all the stocks on the stock markets went down like an avalanche. For several years following that there was a depression all over the world, and it had not really finished when the war began. In 1939 I remember being in an ordinarily busy station in Boston and seeing the porters playing baseball because there were no people travelling on the trains. I remember travelling from Boston to New York in May, 1939, when there was only one other person besides me in the car on the train. There was a world depression on. I could show my hon. friend the figures for trade in Newfoundland since the war began. We did not have the blessings of a Liberal government in Newfoundland at that time. We had a commission of government; and even a commission of government was able to build up surpluses. I would say this for the benefit of the hon. member. If we had had a responsible government in power in Newfoundland in those days, we would have been able to build up large surpluses, just as the commission of government had done.

The most notable thing, however, about the right hon. gentleman's speech was not what he said but rather what he did not say; and, Mr. Speaker, I am going to ask you and the other members of this house to listen to what I have to say just now. I imagine that when the right hon. gentleman had finished that radio speech there was another voice that came on immediately after, the still small voice of conscience which spoke as follows:

An hon. Member: Oh, no.

Mr. Browne (St. John's West): "Listen, folks; I have to tell you a secret".

An hon. Member: Quiet!

Mr. Browne (St. John's West): "Mr. F. A. McGregor, the commissioner under the combines act, considered that the flour millers of this country had agreed to put up the prices of flour all over Canada and in September, 1947, he started the investigation which he finished in December, 1948. He put in a report. The Minister of Trade and Commerce was mad about it. He of course has tremendous influence with the Prime Minister (Mr. St. Laurent), who has great confidence in him; and he persuaded the Minister of Justice (Mr. Garson), who is new at the job and did not know much about it, not to publish the report".

An hon. Member: Rubbish.

Mr. Browne (St. John's West): The voice went on, "We are not going to publish the report, folks. We did not tell parliament about this report when parliament was sitting. We kept it secret because the Conservatives might make use of it in the election; and the C.C.F., if they ever got hold of

it, might be the next government of Canada. So we did not tell them anything about it, and we are not going to tell the people either. What the people don't know won't hurt them". I have imagined that the right hon. gentleman was frank enough to tell the people what his conscience was pricking him about all the time. The right hon. gentleman, I think, has some ground to boast about his accomplishments, although there are many who would not say that. But I would say, Mr. Speaker, that this country would be more greatly honoured in the United Nations and everywhere else among right-thinking men if it would put respect for law and love of justice before its ability as a trading nation; it would be better for this country to have respect for the law so that rich and poor would be equal before the law. I ask hon. members who sit to my right and hon. members who sit on the other side of this house if they would not rather have Canada known as a country where the law was respected and justice was carried out by those entrusted with that duty, whether a man was rich or poor, than that it should have the greatest trade of any nation in the world.

At the last session of this house I drew attention to the fact that in negotiations leading up to confederation a principle which was considered at Charlottetown, at Quebec and at London and which found a place in the British North America Act, was thrust aside by the members of the Canadian government. I refer to the fact that Newfoundland, when she was negotiating a pact of union with Canada, had at the time a large surplus and a low per capita debt. That principle was enshrined in those documents which are so highly respected and which have become the law of this country. If hon. members would take the trouble some time to look at the Quebec conference resolutions they will find laid down in paragraphs 60 to 63, and especially in paragraph 63, the principles that I have outlined, that Newfoundland at that time, and Prince Edward Island, Nova Scotia and New Brunswick, were to be given a credit of 5 per cent per annum on the difference between the total debt of the country and what it would be if it was the same per capita as the debt of Canada. If that had been done for Newfoundland we would have had a large annual allowance instead of what we have now as a diminishing transitional grant.

While I am on that subject I want to support what my hon. and learned colleague, the hon. member for St. John's East (Mr. Higgins), said about representation in the Senate. If hon. members will look at paragraph 14 in the Quebec resolutions and paragraph 15 in the London resolutions they will find there the principle which I recommend to the Prime Minister and the members of the government. "The first selection of the members of the legislative council (as the Senate was called then), shall be made, except as regards Prince Edward Island, from the legislative councils of the various provinces. Such members shall be appointed by the crown at the recommendation of the general executive government upon the nomination of the respective local governments, and in such nominations due regard shall be had to the claims of the members of the legislative council and the position in each province, so that all political parties as nearly as possible be fairly represented."

I ask if hon. members of the government feel that they own the Senate. Can they appoint members who are their supporters and nobody else from Newfoundland? So far we have four appointments; and four of those were supporters of the Liberal party and four of them were supporters of confederation. What about those representing the 48 per cent of the people who voted against confederation? What about the people who voted against the Liberal party? Have they no right to representation? When a province comes into this great dominion, is it fair that it should be without representation by parties in that chamber? I suggest to these hon. gentlemen, especially to the Minister of Public Works (Mr. Fournier), who is sitting there and doing me the honour of listening to what I have to say tonight—and he is a fair-minded man; he has told me he is a fair-minded man—

Mr. Fournier (Hull): And you believed it.

Mr. Gardiner: We were just discussing the matter of how few Liberals there were in the Senate when we came into power.

Mr. Browne (St. John's West): Yes, maybe there were. But two wrongs don't make a right. If that was done in the past the Liberal party with its huge majority here and in the other place could now afford to be a little generous with that little province.

If the principle I mentioned, which is contained in the British North America Act, of the difference in the per capita debt, had been recognized it would have made a striking difference to the present government of the province of Newfoundland. They would have had a substantial annual allowance which they have not got at the present time.

After three years have expired, the grant that they are getting now of a little over $6 million begins to diminish, and where are they going to find the revenue? At the fisheries conference the other day down in

the east the minister of fisheries and co-operatives said that the island was eighty years behind the rest of Canada. That is because Newfoundland did not have the advantage of the great industries in the central provinces from which to draw its taxes. It was unable to have the same developments that took place in Canada. But now that we are a part of Canada we should have the means to have these things carried on.

One outstanding fact, Mr. Speaker, is that Newfoundland's economy has deteriorated during the past twelve months more rapidly than that of any other province of Canada. I would not attempt to say that it should be attributed to confederation, although it is partly due to that fact, as I shall show in a moment. We who opposed confederation foresaw it. We warned the people about what was going to happen, especially in St. John's, and it is recognized by all Liberals and Conservatives now that what we said was true. I suppose the Liberals knew then that it was true. The factories in St. John's cannot compete with the great factories in the central provinces, and so they have had to close down. By November eight of them had closed down, and when I left one was going on short time, two days a week. It will be only a matter of time when it will have to close down unless something happens to help them.

That is not a very bright picture for those of us like my hon. friend and the hon. member for Trinity-Conception (Mr. Stick) and myself who were born and bred in that city and who have spent so much of our lives there. It is hard for people to see the factories closing down and to see work coming to a standstill. We have a regard for that city. It has a great history behind it. It was the first place in the new world where European sailors dropped anchor. Six years before the Spanish Armada, Sir Humphrey Gilbert claimed it for the English crown. Before Cartier came up the St. Lawrence he visited Newfoundland. Before Champlain, before Maisonneuve, fleets from Spain, Portugal and England mingled together in the harbour of St. John's. It has a long and interesting history. It played a prominent part in the Napoleonic wars, in the war of American independence, in the war of 1812, and in the last great war it was the chief base of the Royal Canadian Navy. That is a fact that I should like to bring to the attention of the members of the government and ask them not to overlook it.

The present government of Newfoundland inherited a wonderful legacy of over $40 million, but I do not think that the federal government should assume that that is going to last forever. The provincial government is trying to put their province on the same basis as the other provinces in regard to social benefits. That is what they are doing, and they are working with feverish energy and zeal to make the country prosperous, but that money will not last forever. With the diminishing transitional grant they will be faced with what I consider to be the insuperable problem of trying to balance the budget with expenditures on a par with those of the maritime provinces when there is so much unemployment in the country.

The terms of union contain a provision, section 29, which I should like to draw to the attention of the Secretary of State for External Affairs (Mr. Pearson), who had something to do with drafting them:

> 29. In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada will appoint a royal commission within eight years from the date of union to review the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the government of the province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the maritime provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

I consider that the presence of this section in the terms of union is evidence of the good will of the government of Canada, and shows a recognition of the problem that has now come to the forefront. To set up a sound economy in Newfoundland, agriculture must be fostered and developed. At the last session I asked the Minister of Agriculture (Mr. Gardiner) whether he would do all that he could to assist Newfoundland to get its agriculture on its feet. So far as I know, not very much assistance has yet been given; but I am going to plead with the minister now because agriculture is the most important thing in Newfoundland.

We cannot eat all the fish we catch, but we can eat all the agricultural products that we produce. During the past season we have had many ships from the neighbouring provinces come down there to sell their produce. They peddled their produce from cove to cove and harbour to harbour around the island. I know they have great surpluses of potatoes in the maritimes—100,000 tons, I was told in Prince Edward Island—and they can bring them very cheaply across the short neck of water over to Newfoundland and sell them around. But if Newfoundland is not to be encouraged to develop its own agriculture

what is going to become of it? It is going to go back 450 years and become what it was in Cabot's day, just a fishing vessel moored to the banks. If we want to see that country develop, we have to develop its agriculture. Agriculture is the basic industry of Canada and of the province of Newfoundland. It will surprise hon. members to know that we can produce all the agricultural products that we need. I am thinking now of vegetables. I am not going to say that we could produce all the milk, butter and meat. We could do that, but perhaps it would be at too great a cost. It would be a comparatively simple thing to produce all the vegetables that we need. I am going to tell hon. members that the quality of the vegetables we produce in Newfoundland is as good as any that you will find in Canada, so far as I can see.

I noticed in the report of the Duncan commission of 1926 that the same thing happened in Nova Scotia after confederation. The people got into the habit of importing their produce. They brought in from outside Nova Scotia huge quantities of agricultural products that they could have produced themselves.

In Newfoundland before confederation we were accustomed to our own legislation. We did the best we could. We had a railway and we had a few highroads. We did the best we could with public health. Nevertheless our population increased at a higher rate than that of the maritimes. It did not increase at a higher rate than Canada generally. It is very hard to calculate the actual natural increase in Canada because there is so much immigration into this country, but we were increasing when Prince Edward Island was decreasing. In 1910 the population was 220,000. Today it is nearly 350,000. It will not stay at that figure very long if the factories are closing down in St. John's and Bell island ore is to be curtailed. If we cannot sell our fish and the produce from the maritimes is to be sent down there, who is going to stay in Newfoundland?

I am aware of the great benefits that we receive from the social services in this country provided by the federal government. The old age pensions have brought blessings to many an old man and woman. Family allowances, which I have advocated personally since 1938, have brought untold blessings to hundreds of families in Newfoundland, but I think hon. members will agree when I say that a country cannot exist on those things alone. They have social benefits in the province of Quebec and those who are unemployed at the head of the lakes get unemployment relief, but are they satisfied? Who would be satisfied? Certainly no man or woman over 16 years of age and under 70 years would want to stay in a country for the sake of those things. They will leave and come up here to swell the ranks of your unemployed, or perhaps try to get to the United States.

The greatest advocate of confederation in our country stated the same thing that I am stating now. He has said that the future of Newfoundland depends, not on these things but on the energy and ability of the people. They must "produce or die" and it is the intention of the present provincial government to "make her or break her" in the next three years. I am afraid that honourable gentleman will break his heart before he will be will be able to succeed under such circumstances unless he gets the assistance he should have had in the first place by way of a substantial annual grant from the federal treasury.

Any reasonable man listening to these desperate statements can come to no other conclusion than that confederation in itself has not meant the salvation of Newfoundland. Hon. members here have been most kind and gracious to us all. They frequently say to me, "How are things down home?" I would like to be able to say they are fine, but I must say, "I am sorry to tell you that they are not so good." Then hon. members get a little disinterested, they become a little bored, but I tell them that it is true. Industry is slowing down and places are closing. At Bell island two great mines have closed down and the third one is working on short shifts. We had a contract for ten years with Great Britain for 1,250,000 tons of ore. That was reduced to 300,000, and then that was wiped out. We had a contract to sell 350,000 tons of ore to Germany, but that is gone. All that is left is the market at Sydney. I ask the government on behalf of this poor little sister, this new little sister of Newfoundland: Cannot you give us some help in selling that ore to Great Britain? I am sure that the Secretary of State for External Affairs is a most influential man in the United Nations and he should be able to have funds provided so that Germany can take that 350,000 tons. That would make all the difference between poverty and wealth in my hon. friend's constituency of St. John's East.

These men work very hard. If it is hard for John L. Lewis' coal miners to shovel coal for $14.75 or $15 per day with other bonuses, how hard do you think it is to shovel iron ore which weighs much more? If hon. members were to try that for a day I think it would be a good thing. If we went down in the mine for a day we would have more sympathy with miners than perhaps we have at the present time.

When I tell hon. members of the difficulties we have they say, "You just came in in time to get the benefits of unemployment insurance and family allowances." This matter is very serious for us. As the great advocate of confederation said, "We must produce or die." We cannot live on social benefits. The government of this country must recognize that the terms were inadequate. We do not desire to have to wait forty years as Nova Scotia had to wait until 1907. Listen to what Sir Wilfrid Laurier said when he introduced the amending legislation on March 25, 1907, and I quote from column 5297 of *Hansard* of that date:

> The experience of forty years has brought this fact again and again to the attention of the parliament and the people of Canada. If I needed any evidence in support of that assertion, I might remind the house, that not once, nor twice, nor thrice, but periodically and systematically parliament has been asked, at almost regular intervals, to vote in favour of now one province and now another province, appropriations far in excess of anything that had been stipulated in the British North America Act; and, every province which has since joined confederation has entered upon terms in excess of the terms provided for in that act.

Whether we entered on terms in excess of those provided in that act, we did not enter on equal terms. There is a great necessity to have those terms ameliorated unless we are going to duplicate the sad history of Nova Scotia. The royal commission known as the Duncan commission when making its report in 1926 said that the representatives of the federal government were overweighted with fear when they went to deal with this question; they were afraid of what someone in Manitoba, Saskatchewan or British Columbia was going to say. But they should have no fear when they are going to deal out justice.

They must know that there is a minimum below which the provincial government cannot possibly carry on. That government is now bringing in new social benefits in the way of mothers' allowances and allowances for crippled people, such as they have in Nova Scotia, I believe, and such as were brought before this house in the form of a motion asking for the opinion of this house at the last session. They are doing that in Newfoundland today. I am afraid they are more enthusiastic about the welfare state than the Minister of National Health and Welfare (Mr. Martin). In addition to that they are trying to promote industrial development as I have said already.

There is another matter that must be considered by Newfoundland, a matter coming under the Minister of Resources and Development (Mr. Winters). I refer to the trans-Canada highway. Much of our country is unpopulated and when you have a stretch of highway going 500 miles across such a country it will take a large sum to keep it up. Where is the revenue going to come from to keep up that new road? It is not going to come in immediately and the provincial government will be faced with further difficulty. Any proposition that is made to the province will require their consideration of what is going to be expended and where the revenue will be obtained. With dwindling employment and revenue how can the province keep this new amenity in repair as it should be kept?

The present revenue with the addition of the transitional grants is insufficient to balance the provincial budget by several millions. This year there will be a deficit of between $8 million and $10 million which will have to be drawn from the surplus. Under the British North America Act, Nova Scotia was promised the Intercolonial Railway, but it was built 250 miles longer than was needed for strategic reasons. I believe that is one reason why freight rates to the maritimes have been reduced below what they are in other provinces.

I do not want Newfoundland to have to bear a burden which it cannot bear, and I believe that is the situation today. When the surplus runs out the provincial government will quickly find out that they must come here, as they have had to come for many things which were not properly set out under the terms of union. While the situation is not desperate at the present time, it is very serious and urgent. I submit that this is the first test of the good will and sense of justice possessed by members of the federal government.

All down through the years since the railroad was built we carried goods across the strait from North Sydney to Port aux Basques free. What goods were carried? Canadian goods were carried without any subsidies whatsoever. Last year before confederation we bought $55 million worth of goods from Canada while Canada bought only $10 million worth of goods from Newfoundland. As my hon. colleague said, formerly we had a favourable balance of trade with the United States of over $25 million which has now been diverted to Canada. Canada's trade has been increased by $40 million. I am quoting him as my authority for that. I do know that a large quantity of that United States trade has been diverted to Canada. That will bring benefits to the central provinces. Therefore I think it entitles us to some consideration on the question of freight rates that is now before the government. In addition to that, there are special geographical and other considerations such as the narrow gauge track which should be considered in our favour as a reason for giving us extra benefits so far as freight rates are concerned rather than as a penalty whereby we will have to pay higher rates than are paid in the maritimes.

The federal government has an army of ambassadors, consuls, and trade commissioners abroad. In paying taxes I presume the people of Newfoundland help to keep them there. What benefit are they to us unless they are going to help our trade? I hope they will help us out. I am very glad to be able to say—and I presume the hon. member for Trinity-Conception (Mr. Stick) will be glad to know this—that Spain has agreed to buy 200,000 quintals of fish this year. I raised that matter last year on several occasions, and I am glad to see that the deal is going through. I trust that trade will continue. It is an old trade which goes back 400 years. We should also have trade with Italy and Greece because those countries want our cod. The little province of Newfoundland only has 350,000 people, and codfish is a commodity which I believe means more to a larger number of people in Newfoundland than any other commodity means to the people of any other province of Canada. It will be very helpful to the people of Newfoundland if codfish can be sold in these countries. That means that dollars must be found for the sterling with which we will be paid.

I hope I am not unmindful of all the difficulties confronting the government, the huge expenditures involved in foreign affairs, the transportation system, social benefits, national defence, industry and agriculture. I believe the social benefits provided to Newfoundland by the federal government amount to over $20 million a year which is a very sizable sum indeed, and we are certainly grateful. Nevertheless it must be remembered, and I think everyone will admit, that we have to pay our share towards these expenditures. Beneficial as they are, the welfare of any country depends more on the development of its agriculture, trade and commerce and other industries than on social benefits. It is not possible to tell how confederation is going to work out for Newfoundland, but it is not a one-way street. We pay taxes to the dominion also. On the purchase of goods we spend money which is put into circulation in the other provinces of the dominion. It is very difficult to estimate the amount of money which we pay in taxes. Of course the solution of the problem will depend upon the policy of the dominion in regard to the matters I have mentioned.

Finally, I trust hon. members will appreciate what I am about to say. When I came here last year I did not come with any special love for Canada. I admit that I was welcomed and received as a brother, and I appreciate that. I took the attitude that I would use whatever talent or ability I possessed to further the interests of the whole nation. I can understand the feelings of my colleague as expressed in his passionate outburst the other night. I know how he feels about things. I believe I understand how he feels better than anybody else. We are only flesh and blood and we can be stirred to say the things that are deep in our hearts. I am prepared to work for the prosperity of this country in any way that I can with my poor humble ability.

Therefore, in all seriousness I should like to make the following recommendations as a concrete suggestion. Hon. members of the government may think they are extravagant, and they may find them difficult to accept. Nevertheless I recommend that now, and not eight years from now when Newfoundland has gone into a morass: 1. A royal commission should be set up under section 29 of the terms of union (a) to determine the annual grant necessary for Newfoundland to carry on its provincial activities, bearing in mind the revenue it can produce itself, and (b) to determine the freight rate structure. If they cannot come to a final decision at the present time let them make a temporary decision on the freight rate question. Let that be a subject into which the royal commission can go more fully at their leisure. (c) They should investigate how they can best assist the fisheries because these mean so much to the people of that province.

Then I recommend that the federal government do all it can to assist the development of agriculture. Last year the sum of $80 million or $90 million was spent on agriculture. What proportion of that was spent in Newfoundland? I suggest that it was very small, much less than we were entitled to. I also recommend that the federal government arrange for the provision of dollars for the sale of fish to the sterling area. The merchants of Newfoundland must carry on that fish export business. They have a nightmare and constant headache with 28,000 fishermen to consider. Think of how many families and how many thousands of people are involved in that proposition. That arrangement should be made by the federal government. They should create a national harbour at St. John's. There are national harbours in New Brunswick and Nova Scotia, and there should be one at St. John's. The government should provide more funds for the construction and improvement of public and marine works which were neglected for so many years. The Minister of Public Works knows—I have drawn conditions in my district to his attention from time to time. He also knows he is spending a good deal of money in other districts. Wharves have fallen down and

harbours are full of silt. I hope he will soon be able to get his dredge completed so that it will be able to go down there and start operations.

Mr. Fournier (Hull): It is nearly on its way.

Mr. Browne (St. John's West): Finally, as an assurance that the government will act fairly to all Newfoundlanders, I recommend that they grant equal representation to all political parties in the other place.

Mr. J. W. Noseworthy (York South): Mr. Speaker, first of all I want to add my congratulations to those that have been offered already in this house to the mover (Mr. Larson) and seconder (Mr. Dumas) of the address in reply to the speech from the throne. Because we have in the greater Toronto area some 20,000 unemployed at the present time, I want to examine the erstwhile employment policy of the government in relation to the Prime Minister's speech on February 20. I want to refer to the employment policy set forth in the white paper tabled in this house in April, 1945, which was given in greater detail in the proposals placed before the dominion-provincial conference in August of that year, and put away in mothballs on June 28, 1949. If we turn to page 23 of the white paper we find the following statement:

> In this paper, the government has stated unequivocally its adoption of a high and stable level of employment and income, and thereby higher standards of living, as a major aim of government policy.

On page 1 of the paper we read:

> The central task of reconstruction . . . is to maintain a high and stable level of employment and income. The government adopts this as a primary object of policy.

Again on page 1:

> In setting as its aim a high and stable level of employment and income the government is not selecting a lower target than "full employment."

Then the paper goes on to say that full employment depends upon four classes of expenditures: upon expenditures made in export trade, expenditures made in private investment, consumption expenditures, and public investment expenditures. In that white paper the government recognized that a high level of employment depended to some extent upon the fluctuations of international trade. These, however, were not to interfere with the government's policy of full employment. We are assured on page 7 of the white paper that they can be overcome by patient and resourceful work. Again on page 7 we are told that bold and imaginative policies of collaboration in peace as in war would be taken to expand export trade and to reinforce the government's domestic employment policy to secure freedom from want. Those were the days when the Liberals were talking about the new order they were to bring in after world war II. One of those bold and imaginative policies outlined in the white paper was to be the extension of credit to countries to whom we wanted to sell our goods. On page 9 of the white paper we read:

> The government is willing to extend to such countries . . . adequate credits to finance, to the degree necessary, their import requirements from Canada.

I should like to call attention to that statement that adequate credits would be advanced to finance, to the degree necessary, the import requirements of these countries from Canada. A few evenings ago the Minister of Finance (Mr. Abbott) told us that we were making available all the credits we could possibly afford at the present time. I think it is admitted by the government that those credits are not sufficient either to enable the United Kingdom to buy all the goods she wants to buy from Canada, or to buy all the goods that we could sell her. The government now substitutes the formula "what we can afford" for the 1945 formula "adequate credits to the degree necessary". My point here is that the government has changed its policy in relation to those credits.

Mr. Abbott: We extended $2 billion in credits in 1945.

Mr. Noseworthy: If their policy was right in 1945 apparently it is wrong today. However, I think the minister will agree that if tomorrow we got into a shooting war instead of a cold war and we had guns to sell to Britain instead of food, and if Britain needed those guns as she needs food today, we would find a way of doing exactly what we did during the war years; we would find a means of making financially possible what is physically possible. It is now physically possible for us to produce more food for Britain and the sterling area than it is financially possible for us to sell them. I submit, Mr. Speaker, that is just one example of good orthodox capitalist economy.

The second form of expenditure on which a high level of employment depended was private investment; and to encourage private investment in plant, equipment and other durable goods and stocks we read on page 11 of the white paper that a quite different taxation policy will become an appropriate part of policies directed to the maintenance of employment and income. Again on page 11:

> It is proposed particularly to eliminate or minimize taxation which contributes to a higher level of production costs.

And on page 21:

> The government will be prepared, in periods when unemployment threatens, to incur the deficits and increases in the national debt resulting from its employment and income policy . . .

Then on page 8, in the proposals, the government says it will design both its spending policies and its tax policies throughout the cycle to levelling up the deflationary valleys and the inflationary peaks. And again on page 8, they say that a modern government budget must be the balance wheel of the economy.

Last evening the Minister of Agriculture (Mr. Gardiner) read into the record a broadcast he made in May, 1949. Incidentally, Mr. Speaker, I suggest that it would be unfortunate if every hon. member of this house took advantage of this debate to place one of his own election speeches on *Hansard*. Others as well as the Minister of Agriculture could do that. As he pointed out, some changes have been made in the taxation policy, some reductions in income and other taxes. Probably we shall have more to say on that point when the budget is under discussion. Perhaps in the 1950 budget we can look forward to that new and quite different taxation policy of which the white paper speaks. We might even hope to see the sales tax eliminated, in keeping with the outline given in the white paper.

Another factor in maintaining a high level of employment is this:

> An absolute essential in achieving this objective is to keep prices in hand.

I think we can leave it to any Canadian housewife to decide whether or not the government has carried out that policy of keeping prices in hand.

The third form of expenditure that was to maintain a high level of employment is called consumption expenditures. On page 12 it is pointed out that consumption expenditures will depend upon the maintenance and distribution of the income. Then we are assured that in addition to various social security measures such as unemployment insurance, the family allowance, agriculture and fisheries prices support acts, which were already in effect in 1945, a greater distribution of income was to be achieved by new social legislation. We were to have the old age pension from 70 years of age paid in full by the federal government without a means test. We were to have an old age pension scheme for those between 65 and 70, part of the cost of which was to be borne by the provincial governments. We were assured we were to have a health insurance scheme, also partially paid for by the provincial governments, all as a means of distributing income and maintaining a high level of employment.

Speaking in the house on February 20 on this subject of consumption expenditure, the Prime Minister said, as recorded on page 55 of *Hansard*:

> Production, and with it individual consumption, has increased 50 per cent per person, in terms of real goods and services, since 1939.

I submit what we should consider is not what has happened since 1939, but what the trend has been in the last two years, 1948 and 1949. It is true that during the war years, and for the two years following the war, we made some progress in raising the standard of living of our people. But what is the picture since 1947? From 1948 to 1949, our population increased 318,000, that is 2·4 per cent. In the same year, the cost of living increased from 155 to 160·8, an increase of 3·7 per cent. Together, those percentages total 6·1 per cent.

To have the same disposable income in 1949 as in 1948, our disposable income should have increased by 6·1 per cent. If we check the figures on page 17 of the publication "Canada at the Halfway Mark", we find that our disposable income for that year increased 5 per cent, one per cent less than would be required to maintain the same consumer purchasing power as in 1948. Looking at the picture from another angle, in 1947 our personal disposable income, according to a sessional paper tabled in this house on March 23, 1949, was $754 per capita. According to the figures on page 17 of "Canada at the Halfway Mark", our personal disposable income for 1949, in terms of the 1947 cost of living index, was $740 per capita, a drop of $14 per capita. This decrease of $14 per capita amounts to about $180 million less purchasing power in Canada in 1949 than in 1948.

I shall give you another illustration. According to a table placed on *Hansard* at page 1429, under date of March 14, 1949, by the parliamentary assistant to the Minister of Trade and Commerce, the consumption of consumer goods and services, pegged at the 1935-39 level, dropped from $521 in 1947 to an actual $500 in 1949. Incidentally, the forecast in that table for 1949 was $509, an overestimate of $9 per capita. These figures I submit, Mr. Speaker, show that the Prime Minister's statement in *Hansard* of February 20 gives an erroneous impression of consumption expenditure during the past two years, and reveals that purchasing power has been declining steadily since 1947. There is every indication that it will decline still further in 1950.

Mr. McIlraith: That does not follow at all.

Mr. Noseworthy: The fourth type of expenditure that was to maintain employment and

income is referred to as public expenditure. On page 15 of the white paper we read the following regarding public expenditure:

. . . it is the firm intention of the government to institute a system of managing its capital expenditures so that they may contribute to the maximum to the improvement and stabilization of employment and income.

The same statements are repeated in other forms on page 16 of the white paper. I shall take the time to read a few sentences from this page because they are interesting in the light of the Prime Minister's statement on February 20. On page 16 we read about:

The undertaking of advance planning of all necessary and desirable dominion projects so that there may be available a shelf of soundly planned projects, ready for execution when prospective employment conditions make it desirable to increase public investment expenditures.

Then again:

The implementation, in co-operation with the provinces, of a new dominion policy of expenditures on the development and conservation of natural resources.

A little further down:

The resources of the farm, forest, mines, fisheries and rivers, are basic to Canadian development, and prudent expenditure on their conservation and development will be true investment expenditure yielding valuable returns . . . such expenditures would provide some measure of alternative income in the areas affected by declines in export markets,—

Even in 1945, the Liberals thought there might be a decline in export markets.

—and thus would fight most of our depressions at the point of first contact, rather than after they have spread through the economy.

On pages 23 and 24 of the proposals to the dominion-provincial conference, there is a program of public works outlined in detail, the public works that were to constitute this shelf to be put into execution when signs of unemployment begin to develop. These projects are set forth under no less than 7 headings and 17 subheadings. This was to be the program of public works for which the federal government was to assume full responsibility. They are set out in great detail under 17 subheadings which cover two or three pages. Those works which the government was to undertake in co-operation with the provinces are set out under four headings, with 8 subheadings, occupying about two pages of that book.

We were told that the expenditures on those projects were to be timed so that they could be expanded in times of low employment, and would decline when employment was high.

At page 8 we read:

In periods of declining business activity arising perhaps from depression abroad, it is proposed that these expenditures will be boldly expanded.

[Mr. Noseworthy.]

That shelf concept was recognized by Liberal speakers and cabinet ministers during the June election of 1949; it was recognized by cabinet ministers from the Prime Minister down. Speaking in Moncton on May 19, as reported in the Toronto *Daily Star*—and unfortunately, or fortunately, that is the paper I usually read—the Prime Minister is quoted as having said:

Canada's employment now stands at record levels, and the government will seek to maintain it by promoting trade, natural resources development, and projects like the St. Lawrence waterway, and the trans-Canada highway.

Then listen to this:

Planned public works projects will be started as needed to provide work.

To me that sounds very much like a promise. I know that in his broadcast a few nights ago the Secretary of State for External Affairs (Mr. Pearson) said that the Prime Minister made no election promises. He repeated the statement the Prime Minister made after the election, on election night, in which he said that the one and only promise he made was that he would do his best. If that sentence "Planned public works projects will be started as needed to provide work" is not a definite election promise, then English words have lost their time-honoured meaning.

Speaking at Nelson, British Columbia, on May 28, the Minister of Fisheries (Mr. Mayhew), as reported in the Regina *Leader-Post* of May 30, stated that there was "a considerable shelf of projects" that could be put into action at short notice.

Again, in Stratford on June 3, as reported in the Toronto *Daily Star* of June 4, the Prime Minister is quoted as follows:

The Liberal party is pledged to do its utmost to maintain full employment.

Then at Hamilton on June 5, as reported in the Toronto *Daily Star* of June 6, the Prime Minister stated:

We Liberals promised to work for full employment in 1945, and we have had a higher level of employment in Canada than ever before. The maintenance of full employment is just as much a Liberal objective now and in the future as it was in 1945.

Then, and this is the point I want hon. members to note, he says:

But we are also preparing for possible emergencies when employment may need to be stimulated by even more direct action . . .

From end to end of Canada there are great potential development projects like the St. Lawrence seaway, which, within the next few years, will create a great deal of employment, provided we have faith in the future of Canada and provided we have the determination to translate our faith into action.

Judging by present circumstances it would appear that the Liberal government has

neither that faith in the future of Canada nor the determination to translate that faith into action.

I find it difficult to make the statements made by the Prime Minister during the election campaign, and which I have quoted, jibe with that statement made on election night and repeated by the Secretary of State for External Affairs, in which he says:

> And now you have given to my colleagues and to me the vote of confidence for which we appealed. I wish to repeat the promise which is my only election promise—to give you the best services of which I am capable.

Again I say that, if all of the quotations are reported correctly by the Canadian Press and by papers such as the Toronto *Daily Star*, then either those were definite election promises by the Prime Minister with regard to that shelf concept of public works, or the English language no longer has any meaning.

What is the government's present policy with regard to that shelf of public works? The Prime Minister gives us the answer at page 57 of *Hansard* of February 20, where he is reported as saying as follows:

> A survey was made last year of the state of planning of all capital projects of the federal government, including some, like the trans-Canada highway, to be executed jointly with provincial governments.

Then a few paragraphs further on he continues:

> The results of the survey satisfied the government that the shelf concept, when limited to its own public investment program, was not the best approach at the present time.

To my mind this can mean one thing, Mr. Speaker, and one thing only, namely, that the shelf concept of public works so elaborately set forth in the white paper, in the proposals to the dominion-provincial conference, and in the clear-cut promises of the Prime Minister and his cabinet ministers during the election campaign, has now been abandoned as far as meeting the present unemployment situation is concerned.

Mr. Knowles: The shelf has been put on the shelf.

Mr. Noseworthy: Again, Mr. Speaker, I think we are justified in asking at what time that survey was made last year. Was it before the election or after? If it was made before the election, then surely the Prime Minister and the cabinet ministers were misleading the electorate when they announced their determination at that time to stand by the shelf concept. Even if the survey was made after the election, it must have been so soon afterwards that the words in which the promises were made to the electors were still fresh in the memories and minds of the Prime Minister and his cabinet ministers.

I want to quote again in connection with that matter; it is a quotation I have already given but I want to repeat it. It is from page 16 of the white paper and is as follows:

> Such expenditures—

That is, the shelf concept of capital expenditures.

> —would provide some measure of alternative income in the areas affected by declines in export markets, and thus would fight most of our depressions at the point of first contact, rather than after they have spread through the economy.

Surely the Prime Minister's statement of February 20 is a reversal of that policy. Surely such public works are needed now. Surely there are in Canada today areas affected by the decline in export markets. Surely if we are to fight a depression at the first point of contact, instead of waiting until it has spread through our economy, that time is now.

What are the reasons given in the Prime Minister's statement for the abandonment of this shelf? I want to examine them. It is not just that the time is not ripe. The reasons given by the Prime Minister indicate that they are much more fundamental than this matter of timing. They indicate a complete change of policy and a complete change in the thinking of the Liberal government. Let us take a look at the four reasons—if you can call them reasons—or excuses. The first reason he gives is this; and it is a reason that might have applied up until the election, but which certainly does not apply since then. The reason that there was no labour or material available for this public works program could have been true up until the early part of 1949. It certainly is not true today and has no application to the present time.

The second reason which is given on the same page is as follows:

> We feel it is only whenever it might appear that private enterprise was lagging that we should stimulate public investment so as to maintain employment and prosperity.

If private investment is not lagging today when we have 400,000 unemployed in this country, then when will it be lagging? Surely that is no excuse for not applying that shelf concept at the present time.

The third reason is:

> As a further practical consideration, adequate technical personnel to carry out a program of advanced planning over and above the regular departmental work was simply not available unless we attempted to compete for those who were capable of performing that work, with private enterprise that was already employing them.

There is no statement of that kind in the white paper of 1945. Pages of that paper are devoted to an outline of what the government was going to do, and going to start doing

even before the war was over with Japan, in the matter of research and training personnel for this kind of a job.

The fourth reason is:

> Not only has the nature of the unemployment we were providing for changed radically from the possibilities envisaged in 1945, but the practical experience acquired in attempting to develop a shelf without provincial and municipal co-operation indicated the need of a more flexible method of preparing to meet possible eventualities.

In other words, the reason is that the government could not get the co-operation of the provinces and the municipalities. What has the government done since 1945 to secure that co-operation? It called one dominion-provincial conference when two provincial premiers refused to accept the terms which were offered. Then the conference ended. So far as I know no attempt has been made in the four or five years since to call another such conference. People from all over Canada were clamouring for another conference. The government has shuffled off its responsibilities by blaming the provincial premiers for having wrecked the one conference it did call, but has made no effort to call another until next fall. We do not know that even then this shelf concept will be discussed at that conference.

From the statement of the Prime Minister it would appear that the government has completely reversed its policy in that respect and that the shelf concept is off so far as the Liberal government is concerned.

During the course of the Prime Minister's speech of February 20, and referring to the co-operation with the provincial and municipal government, he tried to show that most of these public works which have to be carried out within some municipalities should be a municipal or provincial matter. He said:

> But there will inevitably be some residuary problems from time to time in some areas, and the initiative in dealing with them must be taken by the local authorities. If they need assistance they should go first to their provincial governments.

In other words we are back where we were in the depression days, with groups coming to the municipal government for some solution to the unemployment problem, the municipal government passing the buck to the provincial government and the provincial government passing the buck on to the federal and the federal throwing it back to the provinces and municipalities. During the five years that have intervened since the war, five years when the government has had every opportunity of preparing for the kind of situation that is facing us today, the government has failed to reach any closer understanding with the provinces and municipalities in relation to meeting the unemployment situation. Today the unemployed in Toronto, 20,000 of them, go from the city council to Queen's park, to Ottawa, and back to Queen's park, just as the unemployed did in the thirties.

Mr. Sinnott: You made a good job of doing nothing.

On motion of Mr. Boucher the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall proceed with the motion of the Minister of National Health and Welfare (Mr. Martin) to set up a committee to inquire into old age security. If that is concluded we shall take up the resolution in the name of the Minister of Trade and Commerce (Mr. Howe) to amend the Research Council Act. If we dispose of these two we shall try to conclude the resolution to refer the estimates of the Department of External Affairs to the external affairs committee.

Mr. Drew: What after that?

Mr. Fournier (Hull): I think we would adjourn at any time if we got through that much business.

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

HOUSE OF COMMONS

Friday, March 10, 1950

The house met at three o'clock.

STANDING COMMITTEES

AGRICULTURE AND COLONIZATION—PRINTING OF PARLIAMENT—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Herridge be substituted for that of Mr. Argue on the standing committee on agriculture and colonization.

That the name of Mr. Noseworthy be substituted for that of Mr. Knowles on the joint committee on the printing of parliament, and that a message be sent to the Senate to inform Their Honours thereof.

Motion agreed to.

RADIUM

THEFT OF NEEDLES FROM SHED AT REAR OF NATIONAL RESEARCH BUILDING

Mr. G. K. Fraser (Peterborough West): I rise on a question of privilege. As the orders of the day will not likely be called today, can the Minister of Trade and Commerce give me an answer now to the question I asked yesterday in regard to radium needles and the handling thereof?

Right Hon. C. D. Howe (Minister of Trade and Commerce): With your permission, Mr. Speaker, I shall be glad to do so. The statement is as follows:

For years radium needles have been sent to the national research council for calibration purposes. A specially constructed receiving depot was built at the back of the main building to hold shipments for a brief period. Before being taken into the main laboratory building these shipments are checked for undesirable contamination and leakages which would seriously affect supersensitive scientific instruments used for research purposes. Needles are calibrated and returned to the owner as soon as possible. The commodity is commercially valueless until accompanied by a certificate.

Since the question was asked, the radium needles referred to have all been recovered; but as this receiving depot has been forcibly entered and the radium needles and lead containers to the value of from $2,000 to $3,000 and other equipment stolen, the national research council, together with the Royal Canadian Mounted Police, are giving careful consideration to ways and means of improving protection against such vandalism.

An editorial in this morning's *Citizen* is based on an almost complete misunderstanding of the facts.

First, the suggestion that radium had carelessly found its way into garbage cans at the back of national research council property is nonsense. The receiving hut, which is substantially built, was forcibly broken into and the heavy lead containers with the needles in them, along with miscellaneous other tools and equipment, were stolen. As yet only the needles have been recovered.

The suggestion that radium to the value of $145,000 was in the hut and stolen is wrong by a large factor; the value of the radium needles was nearer $3,000.

The suggestion that the needles in small quantities are deadly is not correct, as these needles are prepared for treatment of people, and several are often inserted into one person. In quantity they would be a hazard and, if swallowed, would be dangerous. The reason we cannot take the needles directly into the main building is that it has been found some needles leak and in the past we have had trouble with contamination, not from the standpoint of any health hazard, but the presence of even small quantities of radioactivity in a scientific laboratory makes it impossible to carry on precise physical measurements.

On the other hand the incident proves that our receiving hut is not burglar-proof, and we are reviewing the situation with the R.C.M.P. who have general supervision over security matters.

Mr. Fraser: Is it not true that there was just a pane of glass between the radium needles and the intruders, and that was all they had to break?

Mr. Howe: No; there was a pane of glass covered by a heavy grating. The building was constructed for this particular purpose. It is not a hut; it is a well-constructed building. Nevertheless it was broken into by persons unknown, and everything in it was pretty well looted.

CURLING

WINNING OF DOMINION CHAMPIONSHIP BY KIRKLAND LAKE RINK

Mr. Walter Little (Timiskaming): Mr. Speaker, on a question of privilege, I desire to inform this house that a team of curlers from the Kirkland Lake curling club journeyed to Vancouver and came back with the championship. We in northern Ontario are very proud of these men, as I believe everyone in Ontario should be, because we are still part of Ontario even though we are the most northerly part. I am particularly proud of these men, because I have known them since they were young lads.

NATIONAL DEFENCE

METHOD OF AWARDING CONTRACTS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, before we proceed with the next order I should like to move, seconded by the hon. member for Vancouver East (Mr. MacInnis), the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public

importance, namely, the report that a group of Liberal members of parliament have met with the managing director of the Canadian Commercial Corporation for the purpose of discussing the placing of defence contracts on a patronage basis, together with the report that consideration will be given to reasonable demands for the distribution of some defence contracts where they may do the most good to party supporters.

I may say the last sentence is directly quoted from a dispatch coming from a well known correspondent in the press gallery and appearing in this morning's Montreal *Gazette*. I think the country would wish to have this matter discussed and cleared up at once.

Mr. Speaker: The hon. member has moved the adjournment of the house in order to discuss a definite matter of urgent public importance. The matter referred to is a report that a certain group of Liberal members of parliament have met with the managing director of the Canadian Commercial Corporation for the purpose of discussing the placing of defence contracts on a patronage basis, and so on.

This motion is moved under standing order 31, which reads:

(1) Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motion or orders of the day are entered upon.

It seems to me the motion has been moved at the proper time.

(2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

(3) He then hands a written statement of the matter proposed to be discussed to the Speaker—

The hon. member has done that.

—who, if he thinks it in order and of urgent public importance—

I think I must determine now whether this is a matter of urgent public importance, taking into consideration the matters the house will have an opportunity to discuss from time to time. It seems to me this is a matter that can be discussed during the debate on the speech from the throne, which will be resumed in this house on Monday.

Mr. Coldwell: Before you make a definite ruling, Mr. Speaker, may I point out that so far as discussing this matter in the debate on the address is concerned, I should like to do so but I have exhausted my right to speak in that debate. In the second place, since very large amounts are being provided for defence expenditures, I believe it is a matter of urgency that this question should be discussed before any further contracts are let.

Mr. Speaker: The hon. member is right when he says he cannot speak on the amendment to the amendment, nor on the amendment itself; but I should point out that he will have an opportunity to speak on the main motion, since he has not done so already. Therefore in the debate on the speech from the throne the hon. member will have an opportunity to speak on this subject. I should also point out that I gathered from what the Prime Minister said the other day that he would endeavour to arrange the business of the house so that at least one day a week a motion for the house to go into committee of supply would be moved on a day when hon. members could discuss their grievances.

In view of what I have stated I do not think that under the rules of the house this is a motion I should put at this time.

Right Hon. L. S. St. Laurent (Prime Minister): This question having been raised, may I say that the hon. member for Winnipeg North Centre (Mr. Knowles) sent me notice of a question, which I received at five minutes to three, in the following terms:

Has the Prime Minister's attention been drawn to the report in this morning's Montreal *Gazette* concerning the appearance of the managing director of the Canadian Commercial Corporation before a group of Liberal M.P.'s a couple of days ago on the basis of which it is stated that there has been partial restoration of the party patronage system, with particular reference to defence contracts? Is this report true either in whole or in part?

I had not seen the report. Since the hon. member was kind enough to send me a copy of it, I have glanced over it. It is entitled, "Revolt reported in Liberal ranks aimed to restore party patronage," and was written by F. C. Mears, *Gazette* resident correspondent. It reads in part as follows:

Ottawa, March 9. A sixty-man revolt by Liberal members during the past week has produced a partial restoration of the party patronage system, it was learned today from several reliable sources, even though efforts have been made to keep both feet on the soft pedal.

I have never had any suggestion from any quarter whatever of there having been a revolt of sixty, or even of one member. My own impression is that the newspaperman must have been drawing very heavily upon his imagination, or must have been naïvely led up the path by what he calls "reliable sources."

Mr. Drew: Mr. Speaker, in view of the fact that the Prime Minister has reopened this discussion, I submit it would be appropriate to have the motion which was placed before you dealt with.

Some hon. Members: Order.

Mr. Drew: Unless the Prime Minister's remarks were directed to that motion, they had no place at this time. After all, the Prime Minister has seen fit to express an opinion in regard to that report; doubtless that is his opinion. I have no doubt that the laughter of the Liberal members was laughter at the fact that anybody should doubt that such a meeting took place. I believe this discussion should proceed now, on the basis of the remarks that have been made by the Prime Minister.

Mr. St. Laurent: My remarks were made because the hon. member for Peterborough West (Mr. Fraser) referred to the fact that the orders of the day were not being called; therefore the member for Winnipeg North Centre would not have an opportunity of receiving an answer to a question which he considered to be of importance. It was for that reason I volunteered the answer.

Mr. Coldwell: I think the point made by the leader of the opposition should be considered by Your Honour and by the house. According to the press dispatch, this matter involves not only some government supporters in the Liberal party, but also a civil servant, one who occupies an important position which enables him to place contracts. Since the question has been reopened by the Prime Minister—I think it should have been dealt with when the member for Peterborough West (Mr. Fraser) asked the question he did—the house should have an opportunity of discussing it today.

Mr Speaker: When I made my ruling, no appeal was taken from it. May I point out to the leader of the opposition something which I am sure he realizes, namely, that he will have an opportunity of discussing this matter, because he has not spoken on the amendment to the amendment to the motion for an address in reply to the speech from the throne.

Mr. Drew: I do not rise for the purpose of questioning the ruling or reopening the debate. I would point out, however, the validity of the contention put forward by the mover of the motion. If there is any basis for the report it should be discussed before we deal with the estimates of the Department of National Defence. If it is true, it is a most serious situation which should be known to the members when the estimates of the Department of National Defence are being considered.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

Hon. Paul Martin (Minister of National Health and Welfare) moved:

That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters;

That twenty-eight members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto.

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting, and to report from time to time.

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto.

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

He said: Mr. Speaker, in moving the adoption of this resolution, I should like to set out certain basic facts and considerations which may be of interest to the proposed committee and may receive further study at its hands.

At the outset let me say that, as the Prime Minister (Mr. St. Laurent) stated in the house on February 20, the government attaches the greatest importance to improving old age security in Canada.

Regardless of any improvements that may be made in our present pensions system, or any new system that may be suggested or instituted, all of us in this house, regardless of party, can agree on one common objective. This is to develop the best possible old age and retirement system that can be devised, with full consideration for the well-being of all Canadians. This proposed joint committee can do a real public service by its investigations in clearing the way for a better system of pensions, if that is thought desirable after analysis, for our senior aged citizens.

The idea of a parliamentary committee on old age pensions, sir, is not new to this house. Committees were set up in 1908 and in 1924; and in both instances were followed by beneficial results. The committee of 1908 was

followed immediately by the enactment of the government annuities measure. The committee of 1924 led to the introduction in 1926, and the passage in 1927 by parliament, of the first Old Age Pensions Act. The act of 1927 is the foundation of the legislation which is in effect in all parts of our country today. It is based on the principle of dominion-provincial co-operation and partnership, thus conforming to the constitutional situation which prevailed in 1927 and which prevails today.

So far as the proposal to establish a joint committee of both houses on old age security is concerned, the facts of the situation will speak for themselves. What we want, and I think what the country wants, is a committee to study in objective fashion all the various aspects of this important and complicated problem.

I do not feel it would be appropriate at this stage for me to argue the case for any particular type of old age security legislation. I do believe, however, that changing factors and the complexity of the problem, which have been given intensive study by the department which I administer and by the government itself, should also be examined carefully and studiously by parliament, and that public opinion should at the same time have the opportunity to express itself on all aspects of this matter. The committee, if and when established, will represent both houses and all political parties. It will provide an opportunity to representatives of labour, industry, agriculture and social welfare organizations, as well as other interested groups, to make their views known on this vital social question.

The study which the joint committee will give to this problem will naturally, of course, take into account the limits of the constitutional powers of parliament in connection with old age security, and the relative areas of jurisdiction of both federal and provincial authorities. It was with full recognition of this division of constitutional responsibility that parliament passed the Old Age Pensions Act of 1927.

I think it is only fair to say that there is undoubtedly a growing feeling in Canada for some type of contributory system of old age security. While there are indications that some members are changing their views in this particular, the fact is that until recently, within the last few days, no members of the house except those of the Social Credit party have opposed this idea. It must be recognized, however, that a contributory scheme calling for compulsory payments by beneficiaries on a national basis will involve a constitutional amendment, just as our Unemployment Insurance Act was preceded by an amendment to the British North America Act.

[Mr. Martin.]

These limitations on the federal power to legislate in the field of compulsory contributory social insurance remain today a vital factor in any consideration we may give to the question of planning proper measures of old age security for our population. At the conference to be held this fall undoubtedly the matter of old age retirement will provide a basis for discussion between the federal and provincial governments.

It will be a matter of the greatest importance, therefore, for the government, and I think also for the provinces, to have considered and careful study given to this problem, in the light of changing factors, by a committee made up of representatives of all political parties and both houses of parliament. When this committee starts its work, one of the first things it will want to do will be to assess carefully the facts of social benefit that have emerged since the passage of the act in 1927.

As the house knows, successive amendments have been made to the original legislation, particularly those of 1937, 1947 and 1949, which have greatly extended the benefits and the coverage of this important social security measure. It will be found that the present old age pensions provisions—in the language of the Prime Minister (Mr. St. Laurent), by no means perfect—do provide features that make our legislation compare favourably with that of any other country in the world. Here are some of the facts that the committee will want to assess.

1. The number of pensioners has increased sevenfold, from 42,000 in 1930 to 293,000 in March of 1950.

2. The number of pensioners has doubled in the last thirteen years, from 146,524 in March, 1937, to 293,000 in March, 1950.

3. The maximum pension has been increased 100 per cent in the last seven years, from $20 at the start of 1943 to $40 in 1949. There has been a sixty per cent increase in pension in the last three years, from $25 in 1947 to $40 in 1949.

4. The amount of allowable income, including pension, has been increased from $365 per year to $600 a year for single persons, and $1,080 for married persons, with even higher limits of $1,200 and $1,320 where one or both spouses are blind.

5. The federal government's annual expenditures on old age pensions have increased threefold in seven years, from $33½ million in 1943-44, to $67 million in 1948-49, and to $103,626,000 in 1950-51.

6. Federal expenditures on old age pensions have more than doubled in the last three

years. For the fiscal year 1946-47 the expenditure on federal account was $45½ million; for 1949-50 the expenditure on federal account was $94 million. When these figures are compared with those of comparable countries it will be seen that they represent a significant portion of expenditures on social security in one field, and are part of a significant contribution in the whole field of social security in terms of the total income or total expenditures of the nation.

7. Federal pension costs have increased in the last year alone by $27 million, from $66,-764,285.03 in 1948-49 to $94 million, estimated, in 1949-50.

8. Total expenditures, federal and provincial, are today running at the rate of $135 million annually.

9. Since March, 1947, as a result of amendments introduced at that time, 77,000 new pensioners have been added to the rolls, a 35 per cent increase.

10. As a result of amendments made with respect to the blind in 1947, when the eligible age was reduced from forty to twenty-one years, the number of blind pensioners has increased from 7,311 in March, 1947, to 10,300 in March, 1950—an increase of 40 per cent in the three years following the 1947 amendments.

If one may say anything about the inadequacy, if that be argued, of the present measure, let no one fail to assess the very important contribution that has been made thus far, by the existing legislation and amendments, to the older people of our country.

I should, of course, add that a number of provinces have supplemented in varying degrees the statutory amounts provided to pensioners under the old age pensions legislation.

British Columbia leads the way in this by payment of a $10 supplement, without means test, to all persons on old age pension in that province, making a total available pension of $50 a month in British Columbia.

Mr. Low: The same is true of Alberta.

Mr. Martin: Alberta also pays a supplement of $7.50 a month—

Mr. Low: $10 a month.

Mr. Martin: —of $7.50 a month—

Mr. Low: $10 a month.

Mr. Martin: —to all its pensioners on a basis similar to British Columbia, making a total available pension of $47.50 a month.

Mr. Low: May I interject at this point? I am sure the minister wants to have the facts. The budget introduced by Mr. Manning early this week provided for an extra $2.50 to the old age pensioners of Alberta, which brings the supplementary pension to $10.

Mr. Martin: My hon. friend will see as I go along that I am not trying to draw invidious comparisons. When he hears my next remark I think he will be happy.

Saskatchewan pays a somewhat more modest supplement of $2.50 a month—

Mr. Low: That does not make me happy.

Mr. Martin: —and even this is, of course, subject to a means test—not on the basis of regulations prepared by the federal government, but on means-test regulations of its own, and similar in principle to the means test applied in connection with the Old Age Pensions Act itself.

All three provinces provide, in addition to the cash supplements, fairly complete medical care and hospital service free of charge for their pensioners.

Ontario, Manitoba, and Nova Scotia, which formerly provided cash supplements prior to the increase in pension in May, 1949, have now discontinued these supplements; but Nova Scotia and Ontario provide a limited service in the field of medical care to their pensioners.

It will be apparent from the facts which I have recited that a great deal has been done, even within the framework of our present legislation, to improve the position of our aged citizens and to provide them with a measure of security equal to that which other countries provide for their older people.

The committee, I feel sure, will wish to study not only the facts of the present situation, but also the progress which has been made; and, in particular, it will no doubt wish to consider in the light of its study how our present program in Canada compares with schemes already in existence in other countries comparable to our own.

How does our program, for example, compare with that now in effect in the United States, Australia, New Zealand and the United Kingdom?

In the United States a twofold system is now in operation. First, a contributory insurance scheme has been in existence since 1935. Employers and employees each contribute 1½ per cent of payroll to a special old age insurance fund. The federal government makes no contribution to that fund. From this fund are paid old age insurance benefits to insured persons sixty-five and over so long as they remain out of covered employ-

ment. The average primary benefit after fifteen years of contributions amounts at present to approximately $26 a month. This benefit is forfeited in any month when the beneficiary earns more than $15 in covered employment. Today approximately 1,200,000 retired workers, 10 per cent of the United States population over sixty-five, receive benefits on behalf of themselves and their dependents under this insurance program.

Second, side by side with this insurance scheme—the house and the committee will want to know and to consider this—we find in the United States an old age assistance program similar to that in effect in Canada. The numbers receiving old age assistance have continued to grow each year, despite the expectation that as the contributory insurance scheme developed the numbers on the means test program would decline. The maximum contribution to any state old age assistance scheme from federal funds is $30—exactly the same as the federal contribution under the Canadian program. The federal government in the United States, however, contributes seventy-five per cent only in respect to the first $20; whereas in Canada the federal government contributes seventy-five per cent in respect to the first $40 of any pension paid.

While the federal contribution in the United States is roughly comparable to that under the Canadian scheme, state contributions are in some cases more generous than those made by the Canadian provinces. The result is a wide range in average benefit payments—from $19 a month in Mississippi to $75 a month in Colorado. The average means test pension for all states is just under $45. Almost 2,700,000 individuals—twenty-three per cent of the aged population—are receiving assistance under this means test program. The means test itself varies from state to state, but is on the whole more severe, as the committee will find, than in Canada.

In the state of Michigan, which I know best because of its proximity to my own city and my own constituency, the pensioner, either single or married, who has real property exceeding $6,000 in value is automatically debarred from pension, and the provisions effective in Michigan are among the most generous in that country. What is the situation in Canada in this regard? Such a person in this country would have his property taken into account on a fair rental value basis in the calculation of his income, but would undoubtedly be entitled to a partial or full pension, depending on his marital status. Likewise, in the state of Michigan, an individual with cash in the bank in excess of $500, or $750 if married, is automatically debarred from pension until he reduces his cash reserves to the figures mentioned.

Under the scheme in our country, a single pensioner can have between $1,400 and $1,500 in the bank and still draw full pension. He is not completely debarred unless he has liquid assets in excess roughly of $6,000, because the calculation is not on the basis of liquid assets but on the basis of income derivable from those assets.

In the case of married pensioners, in Canada, a man and his wife would have to have liquid assets of almost $12,000 before going off pension altogether; and if the wife is under seventy years of age and not on pension, a married man could have close to $7,000 in the bank without affecting his right to a full pension of $40.

I wonder if hon. members who have been criticizing the administration have taken into account the liberality of the provisions of our Old Age Pensions Act as against those on a comparable basis. These comparisons are given to illustrate the great variance of the means test as it is applied in various countries.

In a committee such as the one now proposed, it would no doubt be the wish of the house to give detailed study to various features of the legislation in other countries whose systems are comparable to our own. It will be helpful, I believe, to have the committee examine, for instance, the New Zealand system, which has been referred to so often in the house, and which has an interesting feature known as the universal superannuation plan. Under this act at the present time payments are made, based on contributions under the general social security tax but without a means test, to all persons of sixty-five years and over.

Mr. MacInnis: Mr. Speaker, may I ask the minister if those contributions are made specifically in regard to the old age pension—the universal superannuation benefit, which is the real name for it—or is it for the total social security?

Mr. Martin: No; the one I am talking about, the figures to which I am referring, are only with regard to old age pensions, the derivable income from the social security plan in that country.

The present old age pension under the plan in New Zealand amounts to £32.10s. a year, or something less than $100 a year. This amount increases annually by £2.10s., or $7.75, and will eventually, in 1988, reach a maximum of £130 a year, or roughly $400 in Canadian funds. Our maximum pension now in this country is $480 a year.

Mr. MacInnis: What is the difference in the age?—and no means test?

Mr. Martin: I am not arguing the case; I am simply giving the comparable figures. I have told my hon. friend there is an age of sixty-five years. There are benefits there which we do not have. But I think my hon. friend will find out, before I have finished, that the judgment which I know he would like to give to this matter will not produce exactly the results which he thinks.

During the forty-year period while this scheme is maturing, New Zealand relies on a means test pension scheme providing a maximum pension of £130, or $400, as compared, as I said a moment ago, with $480 in Canada, to persons who can qualify on the basis of a means test roughly similar to that which we have in this country.

Now, coming to Australia—

Mr. MacInnis: Before you leave New Zealand—

Some hon. Members: Sit down.

Mr. MacInnis: What is the difference between the eligible age for pension in New Zealand and in Canada?

Mr. Martin: I have already answered that twice.

Mr. MacInnis: No, you have not.

Mr. Martin: Yes, I did; I told my hon. friend.

Mr. MacInnis: What is the age in New Zealand? In New Zealand it is sixty and in Canada it is seventy.

Mr. Martin: I am giving the plan in New Zealand.

Mr. MacInnis: I know, but you are not telling it all.

Mr. Martin: I did say what the plan was, that there was a difference in age, and I repeated it. I have given it now a third time, if that will satisfy the hon. member, for whom I have the greatest affection and respect.

The situation in Australia is more comparable, because, like Canada, it is a federal state, and presents an interesting basis of comparison. Its system, in fact, is more closely comparable to that of Canada because it relies exclusively upon the means test program, just as we have done up to the present time. But that was not always the situation in Australia. Under the former Menzies government, a contributory old age insurance law was placed upon the statute book in Australia. It is interesting to note that the Labour government a year or so ago repealed this legislation and decided to rely upon expansion and improvement of the means test program, rather than to adopt a program embodying contributory insurance features. Full details of all these schemes, together with that now in effect in the United Kingdom, will be made available to the joint committee.

May I say this further with regard to Australia. While it rests entirely upon the means test basis, its means test basis is not as liberal as the means test basis in the act passed in 1927, with amendments thereto, in this country. It is of further interest to note that the amount of pension payable under the Canadian legislation at the present time is more generous than that payable under the schemes now in effect in New Zealand, Australia and the United Kingdom. It is also more generous than the average benefit paid at the present time under the United States contributory insurance scheme. It is, however, slightly less generous than the average means test pension paid in the United States, the reason in part for this being, as I have already indicated, the relatively greater generosity of the state contribution in the United States as compared with the provincial contribution in Canada.

After intensive study of the details of existing plans in other countries, such as those I have mentioned, it will be desirable that the committee here proposed should consider possible varieties of proposals which could be considered for Canada. I am not seeking to indicate that our system is perfect; I am not seeking to suggest that it does not require improvement. But I am pointing out that in trying to find a basis for improvement it will be very helpful to rely, in part, on the experience of other countries, as well as to consider certain other contingencies, to which I shall later refer, in our own country, under our own economy, affecting all the people of this country.

In all this study it will be desirable, I believe, that such a committee make a full assessment of the financial implications of each proposal. Why? Because I believe every hon. member will agree that we want to show a sense of responsibility and maintain a sense of balance in any plans that may be considered desirable. We must not be unaware of our responsibility, financially or otherwise, in a wide variety of fields. There are other social security benefits which we shall want, and we shall not want to do anything now which would in any way interfere with the realization of some of those benefits.

I wish to say right here and now, by way of digression, that I take second place to no one in this house in the desire to see the means test eliminated. But we recognize that this depends upon arrangements to be worked

out with the provinces, and upon the kind of system which is ultimately devised.

It will do us no good, I think, but rather infinite harm as a people, to embrace a scheme which is beyond our capacity to continue in future years. In that connection one knows what is happening in California. One knows something of the retrenchments which have had to take place in social security benefits in other countries, and we have read about the effects that this has had on the people of those countries.

It will likewise be unwise for us to embark upon a proposal of such magnitude that it will effectively prevent us from considering other important social security measures, such as health insurance, invalidity benefits and other measures which must be in the realm of the development of a social security program.

We shall be prepared, if the committee wishes, to present a variety of possible proposals for its consideration, and to submit along with the proposals themselves, full details as to the financial commitments which would be involved in any of the various plans.

In this connection, with the permission of the house, I should like to place on *Hansard* a table showing the cost of various old age security proposals, at various ages and amounts on a universal basis, free of means test, and incorporating many of the proposals which have already been made in the house. I shall place them on record for the convenience of hon. members, and comment on only one or two of them.

Mr. Speaker: Has the minister leave to put the table on *Hansard*?

Some hon. Members: Agreed.

Mr. Martin: The table is as follows:

COSTS OF VARIOUS OLD AGE SECURITY PROPOSALS AT VARIOUS AGES AND AMOUNTS
(on a universal basis, free of means test)

	Population	$30	$40	$50	$60	$100
Age 70—	674,500 (1951)	$ 242,820,000	$ 323,760,000	$ 404,700,000	$ 485,640,000	$ 809,400,000
.....	869,300 (1961)	312,948,000	417,264,000	521,580,000	625,896,000	1,043,160,000
.....	1,042,100 (1971)	375,156,000	500,208,000	625,260,000	750,312,000	1,250,520,000
Age 70 (M)— .	877,100 (1951)	315,756,000	421,008,000	526,260,000	631,452,000	1,052,520,000
65 (F)— .	1,119,300 (1961)	402,948,000	537,264,000	671,580,000	805,896,000	1,343,160,000
.....	1,337,300 (1971)	481,348,000	641,904,000	802,380,000	962,856,000	1,604,760,000
Age 65	1,101,400 (1951)	396,504,000	528,672,000	660,840,000	793,008,000	1,321,680,000
.....	1,372,500 (1961)	494,100,000	658,800,000	823,500,000	988,200,000	1,647,000,000
.....	1,630,000 (1971)	586,800,000	782,400,000	978,000,000	1,173,600,000	1,956,000,000
Age 65 (M)— .	1,354,100 (1951)	487,476,000	649,968,000	812,460,000	974,952,000	1,624,920,000
60 (F)— .	1,667,700 (1961)	600,372,000	800,496,000	1,000,620,000	1,200,744,000	2,001,240,000
.....	2,018,000 (1971)	726,480,000	968,640,000	1,210,800,000	1,452,960,000	2,421,600,000
Age 60	1,631,900 (1951)	587,484,000	783,310,000	979,136,000	1,174,962,000	1,958,272,000
.....	1,969,700 (1961)	709,092,000	945,456,000	1,181,820,000	1,418,184,000	2,363,640,000
.....	2,366,900 (1971)	852,084,000	1,116,110,000	1,380,136,000	1,644,162,000	2,760,272,000

This table shows, for example, that the cost of a $30 pension to all at seventy without means test would be $243 million in 1951, $313 million in 1961 and $375 million in 1971. A $40 pension to all at age sixty-five without means test would cost $529 million in 1951 rising to $659 million in 1961 and to $782 million in 1971. To take another example, a $50 pension free of means test to all women at sixty-five and all men at seventy would cost $526 million in 1951, $672 million in 1961 and $802 million in 1971. In my commentary I have not taken other figures in the table dealing with certain proposals made in this house which will bring us in 1951 up to a total for one particular phase of social security alone of more than the government of Canada is spending for all phases of social security, including old age pensions, family allowances, veterans benefits, the health program and so on, and not taking into account expenditures made for social security by the provinces and voluntary organizations in this country.

I will take second place to no one in trying to develop a social security program. I am not afraid to defend the principle of social security. I do not necessarily make the distinction between it and social justice that has been made, but I do say that no one who really wants to act in a responsible way in the development of such a program can fail to take into account the capacity of the nation to meet these charges. In view of the widespread interest in contributory old age pension schemes—

Mr. Diefenbaker: We did not hear about that before.

Mr. Martin: My hon. friend says that he did not hear about it. I should like him to show me one speech I have ever made in the

house or outside it to which I did not attach the important addendum to which I have referred.

Mr. Diefenbaker: Financial responsibility.

Mr. Martin: The trouble with my hon. friend, for whom I have every respect, is that he does not pay the attention to my speeches that I wish he would. In view of the widespread interest, as I said, in contributory old age pension schemes, I feel sure that the committee when established will wish to study with particular care the nature of the various contributory schemes in effect in other countries. It will want to know the essential characteristics of these various plans. It will want to study the various features of the New Zealand scheme which, as I have already said, operates side by side with a means test scheme. It may come as a surprise to some to see how low these benefits are in the initial years of the scheme, how long a period of time is required for the scheme to mature, how heavy a rate of contribution is required, and how heavy the financial costs of the scheme will be when it fully matures in that country in 1988.

The features of contributory schemes in other countries would also need to be examined, I am sure, in order that all possible approaches may receive full attention. The question of contributory pensions is of particular importance at the present time because of the development within recent months of a new approach to old age security by way of supplementary industrial pensions, particularly in the United States. I think we will all recognize, Mr. Speaker, and I think we will all agree that it is only right and proper for industry to appreciate that it has a responsibility to its employees, not only with regard to old age security but also with regard to other social security benefits as well. For that reason the interesting experiments taking place today in the United States will deserve the committee's careful attention, and I am sure the house will find that development to be one of increasing interest.

A number of agreements have been entered into in the United States between the unions and the employers calling for the provision of a total pension amounting to $100 a month to employees who retire at sixty-five after twenty-five or thirty years' service with an individual employer. This $100 pension is made up of two parts: (1) the benefit payable under the federal old age insurance scheme; (2) a supplementary benefit paid on a non-contributory basis by the employer to bring the old age insurance benefit up to $100.

Current developments in the field of industrial relations in Canada make it clear that there is a desire in some quarters to develop industrial pension schemes similar to those of the United States which I have described. This approach to industrial social security most certainly will warrant the careful consideration of the committee which I am proposing in this resolution. We need to know, after careful study of all the details, whether we wish to adopt for Canada a scheme similar to that now developing in the United States. Before adopting such a scheme to which many attach great importance—a scheme which is finding favour now with some trade union organizations and being accepted in a significant number of cases by Canadian employers—I feel we should make certain that all the facts in connection with these schemes, and all their implications, are fully appreciated by the unions, by the employers and by members of this house.

In this connection I might mention one outstanding fact which I think is not fully realized, namely, that the $100 industrial pension in the United States is in all instances provided entirely at the expense of the employer and the employees.

Mr. Coldwell: And the consumer.

Mr. Martin: The government does not pay one cent. My hon. friend is of that opinion—

Mr. Knowles: We say "and the consumer".

An hon. Member: Who else is going to pay it?

Mr. Martin: And the consumer in the sense that he purchases products, but so far as direct benefit is concerned, no contribution whatsoever is provided by the individual states nor is any contribution provided by the federal government of that country. I do not want to prejudge the matter, but my question will indicate how I feel personally. Is that the kind of old age security scheme we want in Canada? Do we want the government to get out from under its present financial responsibility which involves the payment of $135 million annually by the federal government and the provinces? Do we want them to shift this burden to the employees concerned, and to industry, and leave it to industry and to its employees to pay the entire cost of their old age security schemes? The federal government could easily do this and, to the extent that it was successful in doing so, it would relieve itself and the provinces of the present pension bill of $135 million annually. All it would have to do to place itself on an equal footing with the federal government in the United States, in so far as the $100 industrial pension is concerned, would be to provide, at no cost to

itself, the administration of the employer-employee contributions to a federal old age scheme.

Do we wish to develop in this country a contributory insurance scheme which places the full burden of the cost on employees and on industry and which is designed to relieve governments correspondingly of the burden which, to a great extent, they are carrying from general revenues at the present time? I place great emphasis on this because from the correspondence I am receiving from all over the country suggesting the merits of that scheme it seems to me, with great respect, that the question has not been examined as carefully as it should be.

I ask this question simply to illustrate the point that we need to study with the greatest care all the implications of these programs before making up our minds as to the scheme we would like for our own people.

Perhaps one of the most significant facts of all those the committee will want to consider is that, owing to the increased longevity of our population, the numbers of our aged are increasing. As of June 1, 1949, it was estimated that there were 625,000 persons seventy years of age or over in the Canadian population. In addition there were 398,000 persons between the ages of sixty-five and seventy, or a total of 1,023,000 persons sixty-five and over. But this is not the whole story, by any means; and in the calculation of policy for years to come we as legislators, and the committee particularly, will have the responsibility of assessing this problem in terms of the next decade in particular, and perhaps the next two decades.

Each year the number of our older citizens increases by from 25,000 to 35,000. By 1951, when the regular census will be taken, our best available estimates indicate that on the basis of present standards the total number of persons sixty-five and over will be in the neighbourhood of 1,100,000, of whom 675,000 will be over seventy. By 1961 the total number over sixty-five will be close to 1,375,000, of whom 870,000 will be over seventy. By 1971 the total number over sixty-five will be in excess of 1,600,000, of whom well over 1,000,000 will be over seventy. In other words, twenty-one years from now the total number of persons over seventy will equal or exceed today's number of persons over sixty-five. This demonstrates, I think, with startling clarity the rate of increase in our aged population.

Some will say, of course, that this is a long way off; but twenty-one years is not a long time. We are now considering an act, to which possible amendments will be considered by the committee, which was passed twenty-two or more years ago. When you think of the tremendously increased application of that act these figures, important in every context, will need to be considered by the committee. I should point out, of course, that our total population will not keep pace with this increase in the number of aged. All these and many other considerations which I have not time to mention I am sure will be given careful consideration by the committee.

It may be said, I am sure it will be said, and I would not expect it not to be said, knowing the character this debate might take, that this move to establish a joint committee is nothing more than a delaying action.

Some hon. Members: Hear hear.

Mr. Martin: I knew I would hear that at this point. I want to say most emphatically on my responsibility as a member of the government that this is not the case. We consider the next steps to be taken in developing a comprehensive program of old age security to be of vital importance to the people of this country, and we want to be sure of our ground in detail when we take these steps. I believe the country will expect that kind of responsible attitude.

In this connection I should like to stress again that we must view this problem as one in which we are associated in a close working partnership with ten provincial governments. It is important, therefore, that we should seek the solution of this problem in joint consultation with the provinces, since the jurisdiction for contributory old age insurance is clearly in their hands at the present time, and since the only way that financial responsibility can be properly apportioned is as a result of discussion and agreement with them. This procedure of consultation was begun when we called the provinces together in January of this year to discuss important conditions precedent to the discussion of social welfare matters in the fall. I know every hon. member of this house will share my feeling that substantial progress was made at this conference, thanks to the wholehearted co-operation of all the provincial premiers who were there represented. With this auspicious beginning we feel the chances of success are good in the further negotiations which will take place in the latter part of this year.

The over-all objectives which the government hopes to realize in discussions with the provinces have been stated already by the

Prime Minister (Mr. St. Laurent); and with particular reference to the question of old age security I would direct attention to the statement he made a few months ago and which apparently has been overlooked in the discussions that have taken place in this house within the last few days. I think what the Prime Minister said last year in Vancouver deserves to be noted in the context of what I have to say today. He said:

> One of our main domestic concerns is the provision of social security for all Canadians. The funds distributed under old age pensions, family allowances, pensions for the blind, health grants and other measures have also, in addition to the direct benefit received by the direct recipients of those amounts, added a strong upward influence in maintaining levels of employment. Our social security program is, as you know, by no means complete. We still have a good way to go before provision of social security in Canada reaches the level which will satisfy . . .
>
> We are certainly not satisfied with our old age pension legislation, even though the scale of pensions is fifty per cent higher in dollars, than it was before the war. What has been our aim is a contributory system of old age pensions, one under which our old people will receive their pensions as a matter of right and without there being any means test.

Mr. Diefenbaker: Where was that statement made, may I ask?

Mr. Martin: In Vancouver.

Mr. Diefenbaker: On what date?

Mr. Martin: I have not the exact date at the moment. The Prime Minister went on:

> By contributory pensions paid by the state I do not mean the kind of pension that any one of you could obtain by going to an insurance company and paying an annual premium. It is not a pension where there is going to be a separate account for every Canadian and where he will get as his pension only the return of his own contributions and interest thereon. What we mean by a contributory old age pension scheme is a scheme whereby all Canadians will contribute each year to a fund for old age pensions and where old age pensions will be paid out as a matter of right to those who will have attained the pensionable age—

Then he went on:

> It will be a pension of an equal amount for everyone at pensionable age to which everyone of taxable age will make a direct contribution. But we cannot have a contributory system without an agreement with all provincial governments to have the constitution amended, as was done in the case of unemployment insurance . . .
>
> In respect of old age pensions, and of all social insurance, the constitution of 1867 placed those matters under provincial jurisdiction, and as long as I am in parliament I will always oppose any attempt by the parliament of Canada to take from the legislatures of the provinces one iota of the jurisdiction given to them by the constitution unless they agree to that being done.
>
> If, and when, that is done, there will be the possibility of a contributory old age pension scheme which will be the same for Canadians in every province of Canada.

Then he continues with this second and concluding paragraph. I commend these words to the member for Winnipeg North Centre (Mr. Knowles). It reads as follows:

> These are matters which require, and which are receiving serious consideration. I here repeat the assurance that we will stand by the proposals we made to the provinces in 1945, although of course we are always ready to consider modifications, if changes can be made which are justified by the conditions of today or the conditions of tomorrow, and which would make agreement easier to reach.

Mr. Knowles: Is this still part of the Prime Minister's speech delivered in April, 1949?

Mr. Martin: I do not know what the date is, but this year.

Mr. Drew: No, not this year.

Mr. Martin: The leader of the opposition is right, it is last year. That is still the view of the Prime Minister and the members of this government.

Mr. Drew: I do not want to interrupt, but the statement which has just been attributed to the Prime Minister is of sufficient importance that we should have the date of that speech on the record, as well as the circumstances under which it was made.

Mr. Martin: I do not believe the circumstances would make much difference. My hon. friend is entitled to the date, and I shall get it for him. I believe the Prime Minister has now become known throughout this country as a man whose word can be relied upon, no matter what the circumstances.

Mr. Drew: That may be, but we have a right to know whether we can rely upon the repetition of it. We do not know the date.

Mr. Martin: I shall certainly see that my hon. friend gets the date before the end of the debate.

These words of the Prime Minister make abundantly clear the relationship between our attempts to achieve a better system of old age security for our people, and the consultations which are to take place later this year with the provinces. As we approach these discussions with the provinces, it will be helpful for us to have the considered views of all the parties in this house, of organized labour, of industry, of representative social welfare organizations, and of other interested groups in our population, who have given study through the years to the important question of old age security. I believe that in the formulation of a policy nothing could be more desirable, before we finally meet the provinces, than to take the organized labour groups of this country into our confidence through this committee, as well as the farmers and

other organizations. I think that attitude, and that approach, will commend itself to all hon. members.

I must repeat however that, whatever we do, we must take care to ensure that any program we develop lies within the capacity of the Canadian people to maintain.

In this connection, I will recall the statement made by the hon. member for Vancouver East (Mr. MacInnis) as reported on page 469 of *Hansard* for October 3, 1949. It reads as follows:

> Up to this point I have not said anything about how a social security program should be financed. I am dealing with broad principles and not with details. I do not believe that I have any illusions about how measures of this kind are paid for. They are paid out of the national income. That in turn comes out of national production, and the national production is the product of those who work. When we provide social services of any kind we are providing material things such as food, clothing, shelter and services of one kind or another, which must be produced by those who are working.

On the same page, he said:

> I say that, because there is an idea abroad that there is some mysterious source from which food, shelter and clothing can be paid for without taking it from those who produce it or have claims of ownership to it. There is no such way.

I believe those words of the hon. member for Vancouver East, Mr. Speaker, deserve to be re-echoed in this house. It cannot be too strongly emphasized that social security has to be paid for out of production. It is the people themselves who, through their hard work, must provide governments with the financial resources to maintain those social services. I believe we should deal with this thing frankly. As we go along with these various subjects, we should point out their cost, point out what it means by way of additional responsibility for the citizens. It seems that is the way they want it, and that is the responsible way to proceed.

With that in mind, what we wish to do is to develop, within the limits only of the financial capacity of our people, and with due regard to our over-all commitments in all fields of social security and other governmental responsibilities, the simplest, most effective and most humane system of old age security that it is possible for us to devise. We wish to do this, not in open disregard of provincial rights or interests or concerns, but in full consultation, agreement and partnership with them. This, Mr. Speaker, is our objective in the field of old age security. It is with this, along with other equally important matters in mind, that we look forward to our conference with the provinces in the autumn of this year. It is for the purpose of enabling us to consider every possible point of view which could be of advantage to us in formulating future plans and programs that we are proposing to set up this joint committee of both houses.

In this way, we will be able not only to find out what is in the minds of the various parties in the house and in the other place, but to examine the program and the experience of other countries. We will be able to obtain the views of organized labour and of industry; we will be able to hear the expert testimony of representatives of social welfare organizations; we will be able to study the implications of the current movement for varied industrial pension schemes, and the extent to which these can be fitted into any over-all pattern; we will be able to assess the relative strengths and weaknesses of our present scheme; we will be able to study the relative merits of contributory and non-contributory measures, of means test programs such as still prevail in all the countries of the world; we will be able to study the reasons why Australia, when its Labour government was in power, rejected contributory old age insurance in favour of a continuation, with improvements, of the existing means test program; we will be able to examine the orthodox contributory insurance program of the United States, the universal superannuation scheme of New Zealand, the national old age security scheme of the United Kingdom, and the old age security schemes in other countries.

In effect, we will be giving this committee the opportunity of assessing the alternative plans in Canada which, among others, are at least four. First, do we want an extension and improvement of the present system, based on joint dominion-provincial co-operation, of a means test program, such as Australia has? Undoubtedly, much could be done to improve this. Second, do we want an orthodox contributory system as in the United States, limited as to its coverage, and gradual in its approach to full benefit rates? Third, do we want a universal superannuation scheme as in New Zealand, gradual in its approach to full benefit rates, designed to eliminate the means test gradually for all the aged, but requiring 30 to 40 years to do so? Do we want to levy a special social security tax to finance the cost of this? Fourth, do we want a universal pension scheme, with full benefits to commence immediately at a stated age, as proposed by the dominion in 1945 in its proposals to the provinces? These are but four of the alternatives the committee will want to consider. I submit to you, Mr. Speaker, for the reasons I have stated, this resolution should commend itself to the house.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the Minister of National Health and Welfare (Mr. Martin) has chosen a new role for himself today. Usually, when the minister speaks in the house, he adopts the air of one who is announcing the advent of a new heaven and a new earth. His speech today was of a different nature. On the whole it was a most depressing speech. The information which the minister sought to recount must have had a most depressing effect on everyone who had come here with any hope of action on the part of the government or parliament in the near future.

In his speech the minister in effect sought to justify the existing old age pension system. His whole speech was in essence a defence of the status quo. He praised what he called the liberality of the present system. His words in connection with the means test—whether he so intended them or not I cannot say—were in essence a defence of the means test. The minister's statement leaves one wondering what possible purpose the committee can serve, because it would appear that the government has completely prejudged the situation and the committee must face a role of utter futility. I think a fair summing up of the speech the minister made this afternoon would be that the case for the appointment of a committee with any hope of performing a constructive or useful task is weaker now than it was before he started to speak.

From the resolution one would infer that the committee is to be a sort of fact-finding body. There are several things that the committee is to be permitted to examine and study. If it is information that is sought, I suggest that that information is available now. The minister has catalogued a good deal of information of a rather depressing sort, and it is quite apparent that when this committee is set up it will have to go to the same sources for its information as those from which the minister obtained his, namely, the officials of the department.

It is not more information that is required on this subject. I will put it briefly: what is required is resolute action on the part of the government. There is plenty of information available. All the information in the hands of the government today could be made available to the house by means of a white paper, in a speech or by some other method. It is not more information that is the great need in this field at the present moment.

The minister has sought to put some information before the house looking to the present and to the future, information as to the situation both in Canada and in countries abroad, particularly in the sister nations of the commonwealth to which he referred. Again I say the committee will have to obtain all its information from government sources; there is no suggestion that the committee will seek firsthand information from the other countries of the commonwealth. I say to you, Mr. Speaker, that if that is all this committee is to be permitted to do, it is not going to have a useful or successful role.

Questions of law and the constitution have been introduced by the minister. Where is the committee to go for instruction on those points? It will have to obtain it from the law officers of the crown, if the law officers of the crown are to be permitted to come before the committee and submit to questioning. All this is available to the government now and can be made available to the house in five minutes if the government has not been neglecting the preparation of information.

I sum up my approach to this subject by saying that what is needed right now is not more information—there is ample information available; what is needed is action. We have been waiting for action on the part of the government for a very long time.

Let us in all fairness examine the proposal with respect to the functions and powers and purposes of the proposed committee. Its shortcomings are manifest.

In the first place, its scope is very narrow. It is to be confined to the subject of old age security. It is not to be permitted to inquire into questions of security for those who are disabled and prevented from obtaining a livelihood just as are those who are advanced in years. The minister talked about the danger of action with reference to old age pensions prejudicing or precluding action in other fields of social security; and he referred to health insurance. Would it not have been the part of common sense, if the minister is seriously hoping for the results he pictured from this committee, to enlarge the scope of the committee so that it could take that broad and well-balanced view of the situation that it must take if the matter is to be considered in any other way than that characterized by this government's approach to social security questions in the past, which has prevented a thorough and comprehensive solution, namely, a piecemeal approach and piecemeal politics? What is needed is a comprehensive approach to the problem, and this committee with its limited scope will not provide the opportunity to make a comprehensive study of social security.

In the second place, I would point out that the committee will be too large. There are to be twenty-eight members from this house, and, as it is to be a joint committee, presumably the other place will appoint a similar number. A committee of fifty-six members

will be a clumsy committee, and it will not make rapid progress with this problem. It may serve the government's real purpose to have a clumsy committee which will be bogged down by its own numbers, but such a committee will not achieve the purposes the minister has pictured.

Two years ago, when a similar proposal came from the government, for the appointment of a special committee to investigate the causes of the rise in prices, one thing the government put forward in defence of the committee was that it would be a small committee of only sixteen members, including the chairman. It was to be kept small so that the task could be more expeditiously disposed of. But this committee of presumably fifty-six members is going to be hopelessly bogged down.

Mr. Martin: I think my hon. friend will want to know that it is not intended to have such a large committee. There will be twenty-eight members from this house and I understand about nine members from the other place.

Mr. Fleming: The minister has no control whatsoever over the number that will be appointed to the committee by the other place.

Mr. Knowles: Put them all on. They are on pension anyway.

Mr. Martin: You just wait and see.

Mr. Fleming: The resolution states that the other place is to be invited to appoint some of its members to serve on the proposed joint committee.

If it is an effective committee that the government want, why do not they follow the advice they gave the house two years ago and appoint a small compact committee? They said then that such a committee could proceed with the task much more expeditiously.

I come now to the third obvious shortcoming of this committee. It is given no power whatsoever to make so much as a single recommendation to the house.

Mr. Martin: It will have that power.

Mr. Fleming: It has not that power. There is not a word in this resolution that gives the committee the slightest power to make one recommendation to this house. That is a matter of first importance.

Mr. Martin: I rise to a point of order. My hon. friend is now interpreting the rules of the house. Under the rules of the house there is no doubt that a committee has power to make recommendations. My hon. friend will remember the prices committee, and he knows that it made recommendations. I expect that this committee will be so inclined.

Mr. Fleming: Mr. Speaker, I take direct issue with the statement made by the minister, and I shall have something to say about recommendations made on a previous occasion, and the way in which they were smuggled in after the committee and the house had been told that there was not such a power.

Sir, on this question of the power to make recommendations, let us go back to the instance of two years ago that the minister mentioned. On February 2, 1948, the house had under debate the government's motion for the appointment of a committee to inquire into the causes of the rise in prices, and we of the official opposition said, if we are going to have a committee let us have a committee that will really do a job. We asked that that committee be given power to make recommendations. And, sir, we brought in an amendment to the government's motion. We sought to add these words to the government's resolution, which will be found on page 760 of *Hansard* of February 2, 1948:

> That as well as reporting its findings the committee shall from time to time make recommendations to the House of Commons, as in the opinion of the committee may be considered necessary to secure as far as possible fair and just returns to producers, employees and employers and fair and just practices in marketing and distribution that will safeguard the interests of consumers as well as of producers.

That amendment was ruled out of order, if you please. On objection taken by my hon. friend's leader of those days, they got the amendment ruled out of order, and when the ruling was challenged the house divided and of course my friend, and those associated with him, lined up in support of the ruling that eliminated the amendment as being out of order. If the minister will take the time to go back and read the debates leading up to the adoption of that resolution two years ago, he will see there that the prime minister of that day defended the motion lacking any provision for recommendations because he pictured the danger of recommendations, the danger that the committee would make recommendations at variance with government policy. It was that embarrassment that led the prime minister, and the government of which the minister is still a member, to oppose giving to that committee two years ago any power to make recommendations.

I submit to you, sir, that the reason we find no power to make recommendations provided for in the present resolution is the very same reason: that the government is seeking to handcuff the committee so that it will not bring in any recommendations which might run counter to government policy. Every

syllable the minister uttered this afternoon shows clearly how anxious the government is to keep the brakes on this committee, to prevent it from making any independent recommendations that might offend the dictates of government policy.

My fourth observation on the shortcomings of this proposal is that it is a recommendation for the appointment of a special committee. If there is need for a committee—and there is—then it ought to be a standing committee of the house, not a mushroom committee that will be permitted to sit while it serves the purpose of the government, and then will be eliminated when it has served the government's purpose.

Mr. Pearkes: Like the veterans affairs committee.

Mr. Fleming: The same thing again. The government will have a special committee when it tends to suit the government's purpose, but the moment the committee shows any independence, or ceases to knuckle down to government orders, or tries to meet the needs of the veterans, then of course the government steps in and says it will have neither a standing committee nor a special committee in that field. The same thing is true here, Mr. Speaker. If there is any merit in the arguments the minister has submitted to the house this afternoon for the appointment of a committee, the merit lies in the appointment of a standing committee, not a mushroom committee.

At the last session of parliament the government had the opportunity to accept my proposal for the appointment of a standing committee of the house in the fields of health, welfare, social security and housing. That resolution was debated in this house on October 12, 1949. It was defeated on a called division by the government voting against it, after the Minister of National Defence (Mr. Claxton), then acting minister of the department which the Minister of National Health and Welfare heads, had vigorously opposed it as being the sort of thing that he said would run counter to proper parliamentary practice and responsible government.

I do not say that the minister is wrong today in recommending a committee. The trouble with him is that he does not recommend a proper or adequate committee. The minister who was speaking for him last October 12 was utterly wrong in his condemnation of the establishment of a standing committee of the house in these important fields.

It is worth remembering, sir, that when the then acting minister of national health and welfare was commenting on the scope and purposes of such a committee he had this to say concerning recommendations, which will be found at page 725 of *Hansard* of October 12:

> In the first place a committee considering policy, administration, appropriations and expenditures would be useless unless it made recommendations to the house.

On the reasoning of that minister this committee, which is not being given power to make recommendations, is accordingly doomed to be useless. I do not know how many hon. members will wish to approach a committee task like this with a feeling that their efforts are doomed to futility before they start.

The next observation I make is that if the purpose of the government, when they conceived this committee, was to fly a kite and obtain whatever information they wanted as to the views of various political parties, or other organizations interested in the field, or the people of Canada, they have had ample opportunity to obtain those views. There has been ample discussion on this question in the house in recent debates to show the minister and the government where the political parties stand on this question. It goes back to this, sir, that what is needed now is action, and resolute action. While there is ample ground for the appointment of a standing committee in this field, the government does not give us any assurance of action.

What is the real reason for this recommendation now, this proposal from the government, which in effect runs counter to and in the teeth of the case sought to be made out by the Minister of National Defence, speaking in the debate that I have referred to, namely, on October 12, 1949?

It is a well-known fact, Mr. Speaker, that the government is under pressure on the subject of old age pensions. Members of parliament are under pressure on the subject of old age pensions. The public is aroused to the inadequacies of the present pension scheme, and to the intolerability of the continuation of the means test, as it has not been aroused thereto before.

Undoubtedly supporters of the government in this house, in the light of promises that so many of them made so readily during the election campaign last spring, are under very great pressure to fulfil their promises. Therefore the government has obviously found it necessary to steer a course now that is somehow going to relieve the pressure. I submit to you, sir, that is precisely what we have before us now. The pressure, sir, has unquestionably doubled ever since the government showed its position very firmly on September 19, 1949, with reference to the means test. There was

ample opportunity at that time for the government to say that they were going to replace the present system, and its means test, with a national contributory system that would eliminate this invidious means test; but oh, no, the government chose to line up solidly in favour of the maintenance of the means test. Government members, including the Minister of National Health and Welfare, voted to a man against the amendment which will be found on page 50 of *Hansard* of September 19, 1949, in these words:

> We regret, however, that Your Excellency's advisers have failed to propose legislation to remove the means test from the old age pension.

Mr. Martin: That was not the purpose of the motion.

Mr. Fleming: That was the effect of the motion, and these are the words of the motion. The government accepted it at its face value, and they voted against it to a man, and the minister was one of those who voted against it.

I have said enough to indicate quite clearly that the government felt it necessary to devise some tactic which would offer an opportunity to relieve the pressure because, as hon. members must be well aware, the pressure is very strong. So we see the government sitting down and cogitating on the problem, not with a view to meeting the real necessities of the situation, not with a view to facing up to the realities or shortcomings of the present pensions system, but sitting down to devise means of evading the issue and delaying.

Sir, you see a very good example this afternoon, in the speech made by the minister, of the full flower of that favourite government tactic—to gain time, to spar for time. Obviously we have before us today evasive action, and the well-known government Fabian tactic.

Mr. Knowles: Not on your life!

Mr. Fleming: The hon. member to my left is a little too modern. The real reference to the original Fabius is a reference to a man who delayed. That was his chief military tactic; he was a man who delayed. The Minister of National Health and Welfare (Mr. Martin) fits very well and naturally into a government whose principal tactic is the tactic of delay.

There are those who were members of the house two years ago, and who will recall the debate of February 1948 respecting a problem which was then just as acute as the problem of old age pensions today. Those hon. members will not have failed to observe both the similarity of the conditions and the similarity of the government's method of meeting the problems.

I am sure it will be well recalled that at that time just the same kind of pressure was exerted on parliament to take some action to halt the soaring cost of living. Many of us had some direct proposals to make as to how the government could meet that problem, and concrete suggestions were made from the official opposition. But the government were not prepared to take that kind of action. No, they fell back on a method by which they would relieve the pressure—because the pressure, we will all recall, was very great indeed. So they devised this pretty tactic—I shall be generous enough to call it a tactic, sir, though in reality I think it is a stunt—to sidetrack that pressure, and to route the steam engine off on a siding.

I point out to the house the similarity between the government's method then and the government's method today, because what is going to follow is directly relevant. The house will be neglectful of its duty today if it tolerates treatment of this committee it is asked to set up, in the way the committee was treated which was set up two years ago. I point out that while that committee was sitting prices continued to go up, perhaps even faster than they had been going up before. Today, while this committee sits, those who are suffering from the inadequacies and shortcomings of the present outworn old age pension scheme are going to be permitted to continue to suffer.

In the second place, that committee sat for a very long time—four and a half months altogether—and held in all seventy-seven public meetings. It spent a great deal of the country's money to find the facts. Apparently today we are to be treated in the same way. A committee is to be appointed to find the facts—when the facts are known. It is not more facts or more knowledge of the facts that are required; it is action.

Third, that committee embarked upon a perfectly futile task when denied the right to make recommendations, and, unless the government lifts the hampering restrictions, this new committee will be doomed to equal futility.

Fourth, I am sure no hon. member can believe that this fact was absent from the minds of the government when this resolution was devised, namely, that it is going to have the effect of preventing discussion in the house of matters which are within the scope and purview of the reference to the committee.

Won't that be a happy situation for the government! In the debate on the throne

speech many attacks have been made upon the government because of its indifference and its inaction in the face of the very serious situation facing many of the elderly people in this country, and the conditions from which they are suffering—and I use the word "suffering" advisedly. Can one imagine anything that would suit better the purposes of the government than to have a stop put to all that kind of discussion in the house? Nothing would suit the purposes of the government better, as happened in the instance two years ago to which I have referred when, for four and a half months, while the cost of living was continuing to soar, any discussion of the subject in the house was precluded. Nothing on the subject could be discussed in the house until the committee reported a day or two before prorogation, at the end of June, 1948.

So hon. members will see that, despite all the protests of the minister—and, I think like the queen in Hamlet, "The lady doth protest too much"—the minister had a very uneasy feeling somewhere in the locality of his conscience when he started out today to assure the house, with great seriousness and gravity, that the idea of a delaying action or of preventing discussion in the house was far from his innocent thoughts. Well, there are in the house, perhaps, some in reference to whose simplicity of thought the house could be naive; but I think the Minister of National Health and Welfare, before he hopes to convince the house that this consideration was absent from the minds of the government, will need to buttress his arguments much more than with a statement such as he made today.

As did the prices committee which sat two years ago, we have on this occasion the problem of interim reports. As one who went through the anguish of sitting on that committee and wasting four and a half months on a task which, before the committee ever began its deliberations, was doomed to uselessness, I well remember that some of us on the committee held the belief that we were in a position from time to time to say something worth while to the house, and wanted to make an interim report. As a matter of fact the prime minister of that day had said in February of 1948, before the committee was appointed, that it could bring in an interim report. But there was a dominating government majority on the committee, and every time we made the suggestion that an interim report be made to the house, that proposal was rejected by the majority on the committee.

I submit, sir, that if this committee is appointed, with no expansion of its powers or its status, the house will not receive from it an interim report which the house could discuss, and will not get a report until the end of the session, I suspect, on the eve of prorogation.

I do not need to reiterate what I have said about recommendations. I might touch again upon the fact that the committee of two years ago was told all the way through that it did not have powers to make recommendations. That attitude on the part of the government was reflected through its spokesman, the Minister of National Health and Welfare, as chairman of that committee, all the way through—"no recommendations", because the committee was not given power by the house to make recommendations for which we of the official opposition had asked.

Do you remember what happened? I, for one, will never forget it. I will never forget that at a sitting of that committee in executive session—oh, what a euphonious title, "executive session"!—at a private meeting, where the public was not admitted and the press were not admitted things were done and perpetrated that the government would not have dared to permit to happen in the committee, if it had been held in public. The draft report the committee considered from ten o'clock in the morning until late at night—

The Acting Speaker (Mr. Beaudoin): Order. I think I have given the hon. member sufficient latitude in his attempt to set out the similarity between the committee then set up and the one indicated in the resolution. I believe I should now ask him to come back to a discussion of this committee, and to speak about it rather than the one which sat two years ago.

Mr. Fleming: Mr. Speaker, I am sure you will be relieved to hear that I am nearly finished with this subject, but may I say that I prefaced what I had to say by drawing parallels between this committee and its terms of reference, and the committee of two years ago and its terms of reference. You will remember that it was the minister himself who, by way of interjection in my remarks, introduced in this debate a reference to the committee of two years ago on the question of the power to make recommendations. With great respect to you and your ruling, Mr. Speaker, I submit I am entitled to deal with a subject raised by the minister.

On the question of recommendations I want to point out to you, Mr. Speaker, that we were told all the way through that the reference to the committee of two years ago did not include on its face the power to make recommendations, and that therefore it did not have the power to do so. I know that the minister is going to tell me that the committee made recommendations, and I want to answer that by telling him that though

the committee sat all day in executive session, there were not any recommendations before it, and an adjournment was proposed at eleven o'clock. The majority of the members went out for a five-minute recess, came back about three-quarters of an hour later, and after midnight the committee was handed a whole group of fourteen recommendations all ready made, just as neatly done up as any cute little package you ever saw. I do not wish to see the present proposed committee treated in the same way as the committee of two years ago because of the fact that there is no power to make recommendations given to the committee in the terms of reference under debate today. I do not want members of the proposed committee to be told all the way through their sittings that they have not the power to make recommendations when some of those who may be members of it may desire at some stage to make recommendations to the house. I do not want to see the committee told then that we have not the power to make recommendations, and then have the government majority in the last hour of the sittings of the committee bring in a whole list of recommendations handed to them in a neat package by the government. If the government has any recommendations to make to the house, then I submit that now is the time and this is the place to make them.

There is one matter that I think deserves more than a passing reference. The subject of old age pensions is not a new one in the house.

Mr. Dickey: It was introduced in the house in 1926 by the Liberal party.

Mr. Fleming: That is about as far as the Liberal party has ever progressed with old age pensions.

Mr. Knowles: Under pressure.

Mr. Fleming: From that day to this anything that has been done so far as old age pensions are concerned while a Liberal government has been in office has been done by a house that went about the task of prodding the government. It has been just like drawing teeth to try to induce them to take some action.

Mr. Maybank: Is prodding like drawing?

Mr. Fleming: As a matter of fact we have had to resort to almost every honourable means at our disposal to flay the government into taking some action. As everyone knows, it has been an uphill battle in the face of the needs of many people who were not getting enough to live on decently in past years. Of course the government would not take action. It was the same old story. I repeat for the benefit of the hon. member for Halifax (Mr. Dickey) that every action that has been taken since 1926, in the direction of providing a better system or a less inadequate allowance, has been taken—

Mr. Dickey: By a Liberal government.

Mr. Fleming: —as the result of insistent prodding and effort on the part of the opposition to rouse a government that showed itself unwilling and reluctant to take action to meet the needs of our old people. This government has always been away behind public opinion on this question. Having regard to the position of the parties, I would have thought that was perfectly clear.

I shall leave the parties to my left to speak for themselves, but when the minister talks so airily, as he did today, about the other parties, I want to say that, so far as the Progressive Conservative party is concerned, it made its position clear long ago with reference to old age pensions. That position had been made clear before the national convention of the party held in Ottawa in 1948, but at that time it was made a plank of first importance in the platform of the party, a plank adopted by the unanimous vote of all delegates at the convention, in these words:

> The Progressive Conservative party proposes a "contributory social security program", available to every Canadian irrespective of occupation to include the following benefits:
>
> 1. Retirement pensions at 65 without a means test;
> 2. Accident, sickness and disability benefits;
> 3. Health insurance—to include adequate medical and hospital care;
> 4. Extended unemployment insurance benefits—to include payment for time lost due to accidents or sickness.
> 5. Similar benefits on a non-contributory basis for "unemployables".
>
> This "contributory social security program" will be established in collaboration with and be administered by the provinces. Enabling legislation will be enacted with permissive power to the provinces to adopt the plan, thus avoiding the necessity of constitutional amendment or immediate over-all dominion-provincial agreement. Until the contributory plan becomes fully operative the dominion will pay 75 per cent of a retirement pension of not less than $40 per month.

That is the verbatim statement appearing in the platform of the Progressive Conservative party which was adopted by unanimous vote at that great national convention. The views of the Progressive Conservative party on this subject are these. We believe that the present old age pension system is entirely inadequate, outworn, and the time is long past when it must be replaced by a national contributory pension plan. The features of the plan that we propose are:

1. The plan shall be national in scope. It is to include every Canadian irrespective of occupation.

2. The plan shall be contributory. It will in effect be a savings plan.

3. It will provide a pension, not charity. The pensioner will be entitled to it as of right.

4. It will be paid on a retirement basis, that is to say, it will be designed to enable everyone to live in decency in advanced years.

5. It will be payable at age sixty-five. The present age limit of seventy debars many who are in need.

6. There will be no means test. This objectionable test has often penalized the thrifty, created unfair discrimination in the treatment of elderly Canadians, and has resulted in officious intrusion into the private affairs of good citizens. It must be eliminated in favour of a contributory scheme.

7. The plan will require joint dominion-provincial participation in view of the requirements of the Canadian constitution. The provinces under the constitution must administer it, but the dominion ought to bear most of the governments' share of the cost.

I say that such a plan is urgently needed. The present old age pension system has many shortcomings. One of its worst features is the means test. The amount paid is not adequate. At the present time the pension is not acquired by the recipient as of right; it is not, in fact, a pension at all, but a charitable allowance based on necessity. We should have something better than this in Canada. Canada should have had a national contributory pension plan long before this. The need of it is seen more clearly today than ever before. The public are impatiently waiting for it.

A new and very strong argument has lately appeared in its favour. The inauguration of a national contributory pension plan will help to prevent industrial unrest. Adequate provision for retirement in advanced years is one of the avowed objectives of organized labour. A national contributory pension plan can make a major contribution to industrial peace, and thereby to the creation of wealth through the one possible source of new wealth, namely, production.

It is quite obvious, I think, as we look over the record of the government, that there has been too much toying with this problem by the government in the past. What we need today in Canada is a resolute, well balanced approach to the problem of social security; and we need a comprehensive plan. Parliament's approach in the past has been bedevilled by piecemeal politics practised by this government. The time has come for bold and resolute action. Canada wants a national contributory pension plan.

I am left to wonder just what really is the government's position today. One gathers that the program or platform or policy of the government in reference to old age pensions is simply to appoint a committee. That is all we learned from the minister's speech this afternoon, except a great many negative arguments which, if they were accepted, would lead us to throw up our hands in despair and say nothing could be done.

The minister and two other members of parliament were invited to contribute articles to the Canadian railway employees' magazine of February of this year setting forth their views on the subject of old age pensions; and as interpreted by the minister we find that the policy of the Liberal party is to appoint a committee. That is the extent of government policy today to meet the needs of the situation and satisfy the requirements of many elderly people in this country who are suffering hardship now and who will continue to suffer while this committee is sitting.

There is one thing we of the Progressive Conservative party always take pains to say in reference to questions of social security. Today the minister spoke of the cost. Certainly the party of which I have the honour to be a member has a very responsible approach to this question of social security. What we say as to the needs of the situation carries with it our statement as to the means by which those needs may be met. We say and have always said that social security measures do cost money. The source from which the cost of those measures must be met is the national income. Therefore if we are going to be able to afford the measures of social security the people of this country desire it will be necessary that those policies be followed which will contribute most to the enlargement of the national income. There is no other source of wealth than production. There is no other means by which the cost of social security measures may be met than the national income, represented by national production. Therefore we say and have always said that the system which promises most in the way of social security for the people, the system which will produce the highest national income, is this system of free competitive enterprise which we have so stoutly supported.

The Minister has sought to arrogate unto himself a great deal of credit for alleged action taken by parliament at the request of the government in connection with the tardy measures of improvement introduced in this

house in 1947 and 1949. He makes this becomingly modest statement at page 69 of the magazine to which I have just referred:

> It has been my privilege over the past three years to get the approval of parliament—

That sounds as though this crusader was just wringing out of an unwilling parliament these needed measures of improvement for the benefit of the aged pensioners, when as everyone knows the situation has been exactly the reverse. Actually the opposition were prodding the minister and government to do something, and had waited a very long time for this delayed action on the part of the government. But in his modest way the minister said:

> It has been my privilege over the past three years to get the approval of parliament to increase pensions, relax income ceilings and lower the age of eligibility for the blind—increasing the number of pensioners by one-third and more than doubling the payments.

That is worthy of a thought or two. I have said something in general about the people who stirred this government to action after it had shown great reluctance and tardiness; but I wish to be a little more specific now. The minister speaks about relaxing the income ceilings. It is true that there was some relaxation of the income ceiling by chapter 67 of the statutes of 1947. But what about the amendment of 1949, which the minister introduced with a great hurrah and much fanfare, on the eve of the election? I submit that if it had not been for the fact that we were on the eve of an election, and if it had not been for the action of my leader in demanding that the government really get down to business on the resolution it had on the order paper, we would not have had that amendment put through at that time.

Let us look at what happened in 1949. With much fanfare the minister introduced amendments which had the effect of increasing the basic pension, to which this government would contribute 75 per cent, from $30 per month to $40 per month. He was asked in the house, and quite properly, "What are you going to do about the allowable income of these pensioners from other sources?" Of course the minister just passed that over; that was one of those embarrassing questions, and he did not have time to deal with embarrassing questions at that time.

What about the situation now, when we have the minister claiming great credit for what he calls the relaxation of income ceilings? What is this generous income ceiling? The fact of the matter is that since the amendment of April, 1949, a person receiving old age pension is not entitled to any greater aggregate income, including pension, than he was previously. Today he is allowed the handsome sum of $120 a year, or $10 a month apart from the pension. If he gets one copper over that it comes off his pension of $40 a month; and that is the minister's idea of liberality. He spoke today of the liberality of the present system. What about married people? They are permitted an aggregate income, including pension, under this act of $1,080 per annum. No change was made in that total when the increase was made from $30 to $40 in April of 1949. What is the position of a married couple receiving old age pensions? Well, $40 a month each for two people is $960 a year, and they are allowed a total income of $1,080, so there we have the princely allowance of $120 other income per year for two people. In other words, those two people are permitted to receive an additional $120 a year or $10 a month between them; but if they make a copper over that the minister has what satisfaction he can get out of seeing that a corresponding deduction is made from the basic pension of $40 a month.

In the face of that situation the minister has the temerity to put in print a statement in which he speaks of the credit due him for relaxing the income ceilings!

Then let us come to another of these boastings by the minister. He speaks about lowering the eligible age for the blind. Who is entitled to credit for that? In 1947 this government brought in an amendment to the act under which they proposed that the age of blind pensioners should be reduced to forty years. My then leader, Mr. John Bracken, rose in the house and in one of the best speeches to be heard here in a long time challenged the government to do the sensible thing and reduce that age to twenty-one instead of forty. It was his effort that drove the government, before that debate ended, to reduce the pensionable age from forty to twenty-one, as we find it in the Old Age Pensions Act today. Forty was the age the government thought suitable when the amendment was introduced in 1947. I say to you, sir, that the full credit for that change goes to the opposition.

When one looks at this vast majority to your right and to your left, sir, one would have thought that, if the government was looking for ample support before taking action, with 193 members they must by this time have mustered enough strength to warrant their showing a little bit of courage in grappling with this problem. How many more members are they going to need, Mr. Speaker, before they screw their courage up to the point where they will take action to meet the needs of the situation? If 193 members are

not enough, then it is utterly impossible for any person to look hopefully for any action whatever from this inactive and reluctant government.

What is their position? I have suggested it is difficult to find the government's position. We do know that their policy is to appoint a parliamentary committee, and apparently that is all the policy they now have in this field of old age pensions. Yet, I recall that the Minister of National Health and Welfare made this statement in a speech in Kitchener on March 27, 1949, as recorded in a Canadian Press dispatch:

> The Liberal government program is now directed toward giving the national contributory old age pensions and a national health program.

Well, how about it? How about some action, Mr. Speaker? Let us have less talk and more action on the part of the government towards bringing about that promised national contributory old age pension system. If the government meant business when the minister made that statement in March, 1949, why all the obstacles that the minister plastered on the record during his speech today?

Then, of course, there is a speech made by the Prime Minister. The Minister of National Health and Welfare (Mr. Martin) has not indicated to us as yet just when it was that the Prime Minister made that speech in Vancouver, but it may have been on that tour the Prime Minister took through the west during the Easter adjournment last year. At that time, he put his toes in to feel how warm or how cold the election water might be. While the Prime Minister was on the same tour, he made a speech in Edmonton which was not read today by the Minister of National Health and Welfare, but which is recorded in a reliable newspaper, the Toronto *Telegram*. The press report was written by a highly respected member of the press gallery, who accompanied the Prime Minister on that tour. The article reads as follows:

> "Most people do feel that a basic pension of $30 a month isn't worth, in purchasing power at the present, what the pension was worth before the last increase," he said.
>
> The basic pension policy of the government is directed towards a contributory system without a means test, he added, but that end can't be achieved until some way is found to assess the contributions. He foresaw no difficulty in getting an amendment to the British North America Act to permit the setting up of a national system of contributory old age pensions.

Let me just interject: If he saw no difficulty in getting that amendment, why on earth was it not obtained long before this, to bring about a national contributory old age pension system?

Then the article continues:

> The more attractive the present pension becomes, however, the greater difficulty of preparing the public mind for acceptance of the contributory plan, Mr. St. Laurent said.
>
> To delay increases in old age pensions until a contributory system is worked out might be unfair to present pensioners and to those about to qualify for them, Mr. St. Laurent added.
>
> To pay pensions under the present plan without a means test would take another $200 million a year from the federal treasury, something not practicable if the people want reduced taxes. The inauguration of a contributory system depended not so much on parliament as on public opinion.
>
> A national contributory system of old age pensions and social services generally would make all Canadians equal, said Mr. St. Laurent. A Canadian might move about from one province to another without having to consider whether he would gain more in these benefits than he would lose. As national unemployment insurance, made possible by the consent of the provinces, had increased the mobility of Canada's labour force, so would a national social security system make Canadians freer generally.

I am convinced that the Prime Minister was right in saying that there would be no difficulty in securing whatever was required, either in the way of provincial co-operation or by means of an amendment to the British North America Act, to make the inauguration of a national contributory pension plan possible. Other government officials are on record on this subject. The minister of welfare in the province of Ontario, the Hon. W. A. Goodfellow, said in September of 1948 that he urged the immediate establishment of a nation-wide contributory system of old age pensions. He gave detailed reasons why that system would remedy the serious difficulties that exist under the present system.

Before I leave this subject, I have one final quotation from a speech made by the Prime Minister in Ottawa on December 16, 1948, which reads as follows:

> The Liberal aim is a contributory scheme in which everyone can pay in something during his working years to help provide security for his old age.

Now, sir, if that is the policy and program of this government, then I say to this government and to the house, there is no excuse whatever that will justify continued delay and inaction on the part of the government. No more information is required; no more delay is justified. What is required at this time, having regard to the needs of the people of Canada, and what is demanded by the members of this house who are alive to the needs of the people, what will be required of this government having regard to the promises made by it and many of its followers who were elected in June, 1949, is action—immediate and resolute action, to

bring about that co-operation with the provinces which the government itself admits will be easily obtained, and to inaugurate a national contributory old age pension plan.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, during the eight years I have been in this house, I have listened to a great many fine speeches. In fact, a number of those speeches have been the sort that could lead one to believe that a new heaven and a new earth was just around the corner. I think of the speeches that were made by the prime minister during the war years, when we were told that the government was planning then for a better world after the war. I think of the speech made by the minister of reconstruction and supply (Mr. Howe), as he then was, in April, 1945, in which he outlined the government's post-war employment policies. I think of the speeches we have had from time to time about housing. I think of the important speech delivered by the former prime minister in May of 1948, with respect to health matters. I think now of the speeches we have heard before, and the speech we heard today from the Minister of National Health and Welfare (Mr. Martin) about old age security. All of them have been fine speeches, phrased in such a way that press reports could give the country the impression something wonderful would happen very soon. We are still waiting for that new world; we are still waiting for the implementation of those employment proposals; we are still waiting for adequate housing; we are still waiting for health insurance; and we are still waiting for adequate old age pensions in this country. Having listened closely to the speech of the minister and having thought about it since he made it, my candid opinion is that it is in the same category with the others. It was nice to listen to; he gave some interesting quotations to which I shall refer; but it does not envisage any early action on this problem of old age security.

I think the minister started off on the wrong foot. In the first few minutes of his speech, I take it in an attempt to give the impression that it was a good idea to set up a committee on old age pensions and that action would follow, he said, if I heard him correctly, that there have been committees on old age pensions on two other occasions, one in 1908 and the other in 1924. The minister said that immediately following the committee in 1908 something happened, the old age annuities act was brought in, and he said that the committee of 1924 led to the introduction of the Old Age Pensions Act in 1926 and its enactment in 1927. I assume the minister knows that those were not the only two committees on old age pensions.

[Mr. Fleming.]

Mr. Martin: Two others.

Mr. Knowles: There was a motion for one made in 1907 which was withdrawn. There was the committee of 1908; there were committees in 1912, 1913, 1921, 1924 and 1925. The minister told us about only two committees. As for claiming that the committee of 1908 had anything to do with the inauguration of government annuities, I should like to read this paragraph about that committee, taken from a later report. It reads:

> On the 10th February, 1908, a select committee of nine was appointed. The chairman had made arrangements with Messrs. Blue, Acland and King for certain information to be supplied to the committee. Professor Adam Shortt and two other eminent sociologists had been communicated with who were expected to give valuable evidence, but after three sittings had been held it was found impossible, owing to morning sessions of the house having begun, to reconvene the committee. No report was presented to the house, other than a verbal statement made by the chairman on the 10th of July, ten days before the Old Age Annuities Act, 1908, was assented to by the Governor General.

A report was made on July 10, and second reading of the bill—I remember this very well because it was the day I was born—was on June 18, 1908. The point is that that committee was not responsible for the annuities act. The reason I mention that is to deflate, and I feel a job of deflation should be done, the inference made by the Minister of National Health and Welfare (Mr. Martin) that the setting up of committees produces results. We have had a great many more committees than the two he mentioned and it has taken a long time and a great many committees to bring results of any kind.

In addition to the committees I have mentioned there was a committee on social security in 1943 and a committee on reconstruction and rehabilitation which went into these matters as well in 1944. I submit that the record is not very good so far as this parliament is concerned as to the effectiveness of committees on social security. They pile up a lot of information that can be used for debate on the floor of the house and I should admit that they help to educate our people in the whole field of social security, but they are not vehicles for bringing about action.

In connection with the setting up of committees, I think it should be emphasized, as it was by the previous speaker, that when committees are asked for from this side of the house to go into various matters the government spokesmen take an opposite attitude. On October 12, 1949, when a motion was made by the hon. member for Eglinton (Mr. Fleming) for the setting up of a standing committee on social security, housing and related matters, the Minister of National Defence (Mr. Claxton) opposed it vigorously.

The minister pointed out that it would be a case of cutting across the whole theory of responsible government, that you could not have policies made, particularly where they involved the expenditure of money, by committees representing all parties. The minister said that policies have to be brought before the house by the government which is responsible to parliament and in turn responsible to the people. The minister went into the matter at some length. He is an expert on this question because at one time he wrote an article in a magazine in which he took the other side of the question. Having changed his mind, and he has stated that change of mind several times on the floor of the house, he opposed the committee idea again on November 3 and November 18, 1949, when the leader of the opposition (Mr. Drew) was asking for a committee on defence.

That is the position the government takes. I agree that we have responsible government. At times we have tried to get into the heads of the ministers what that means. We had quite a battle with the Minister of Justice (Mr. Garson) last fall as to what responsibility on the part of the government meant. But at the moment I am talking of this in relation to committees of this house. Committees can make studies; committees can bring out information and disseminate it among members of parliament and in turn throughout the country; but they are not vehicles for getting action. The only way to get action is for the government, which is responsible to parliament and in turn to the people, to bring its policies before this House of Commons in the form of legislation.

I regret very much that the Minister of National Health and Welfare has today done the very thing that the Minister of National Defence on October 12, 1949, said should not be done, for he failed to state the government's views on the matter and simply said that the whole question will be referred to a committee.

I should like to indicate the nature of the minister's speech. He put a number of opinions on the record and by asking rhetorical questions, the answers to which were supposed to be obvious, he hinted at his own opinions on one or two points. He quoted the speech of the Prime Minister (Mr. St. Laurent) in Vancouver on April 14, 1949. He commented on the situation with respect to the plans in the United States. He lined up four different plans which might be assessed by the committee. As a result of all these words that were uttered, I have no doubt that the newspaper reports will give the people of Canada the impression that something is coming out of this committee. But the minister on behalf of the government did not pinpoint any one of those propositions and say, "We are going to bring in legislation to implement this policy or this point of view." The whole matter has been left to the committee, which in turn has no legislative power. As the Minister of National Defence said last fall, "What is the use of having a committee unless it can make recommendations, and what is the use of a committee making recommendations if they have to be approved, first of all, by the government?"

I submit that it was the responsibility of the minister today not just to give us this interesting discourse on the subject of old age security but rather to tell us what the government intends to do by way of legislation at this session.

Mr. Ferrie: What about Ontario and Quebec?

Mr. Knowles: The hon. member for Mackenzie is again making references to the provinces and perhaps I might as well deal with that right now. I was going to deal with that later, but it is just as well to do it at this time because the Minister of National Health and Welfare said that he hoped that we could get rid of the means test but it depended upon making necessary arrangements with the provinces. If I heard him correctly there was a somewhat similar reference in the quotation he gave from the speech of the Prime Minister in Vancouver last April.

May I remind the government and the hon. member for Mackenzie that that sort of argument figured largely in the discussions back in the middle twenties when old age pensions were being considered in this House of Commons. At that time there were the same objections raised to old age pensions that are being voiced today against a better old age pension. One of them was the constitutional argument and another was that you had to consult the provinces. Another was the financial problem. Another one was the supposedly high moral consideration that the hon. member for Winnipeg South (Mr. Mutch) is now advocating, namely, that we have to consider whether this kind of thing is good for the people as a whole.

Mr. Blackmore: Anything for an excuse.

Mr. Knowles: As I say, back in the middle twenties one of these committees, I think it was the committee of 1925, collected reports from the various provinces as to their attitude toward instituting old age pensions at all. In addition they got an opinion from the Department of Justice, and I want my hon. friend, the hon. member for Mackenzie (Mr. Ferrie) and the Minister of National Health and Welfare—I assume the minister is fully aware of this—to realize that the opinions of the

provinces, and the opinion of the Department of Justice at that time, looked liked hurdles that could not be got over. The provinces in their replies to the queries sent out from Ottawa ranged from lukewarm to cool—in fact, to cold—toward the whole idea.

I will not take the time to read them all, but here is an interesting one. This was a reply under date of November 19, 1924, from the Hon. Mr. Gardiner, who was then the minister of labour and industries in the province of Saskatchewan. Listen to this. I am reading from the *Journals* of the House of Commons of 1925 at page 456:

> The government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the federal government alone.

That was the young Jimmy Gardiner of November, 1924. I continue:

> There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine provinces of Canada as to make it almost impossible, and it will be readily understood that if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme.

Listen to this last sentence:

> While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely, insurmountable.

As a matter of fact that is not the most negative of the replies of the various provincial governments. In addition to that, the committee of 1925 got a ruling from the Department of Justice, which was to the effect that in the view of the Department of Justice the whole question of pensions lay with the provinces, and the federal government could not institute any old age pension plan if it involved the federal government trying to obligate individuals within the provinces to make contributions toward it. That same ruling from the Department of Justice admitted that the federal government could go in for the paying of old age pensions—and the assumption is that they could pay them out of the general tax revenues—but they made it clear at that time that any attempt to obligate individuals to pay directly for old age pensions would be unconstitutional. I do not know that there has ever been a court ruling on the matter. All we have that is stated officially, so far as I know, is this opinion of the Department of Justice, but at any rate it has stayed there ever since. I was thinking when the hon. member for Eglinton (Mr. Fleming) was speaking about the possibility that we might have to call the officials of the Department of Justice before the committee and get their opinion on this, that old rule of *stare decisis* that we heard so much about last fall might stand in the way of our getting any other ruling than the one given twenty-five years ago.

What I want to say is this. In addition to the opposition of the provinces toward the federal government in 1925 and 1926 going ahead with old age pensions, in addition to the adverse opinion of the Department of Justice, there was a strong and spirited opposition to the measure on the floor of this house from the official opposition, the Conservative party of that day. I hold in my hand some quotations. Here is one from Mr. Bennett—

Mr. Fleming: Can't you let him rest in peace?

Mr. Knowles: —of March 26, 1926, which will be found at page 1971 of *Hansard*:

> The members severally—

Mr. Bennett was referring to the members of the committee of that day.

> The members severally were of the opinion that there should be no old age pension legislation by this parliament unless the various provinces had agreed and had arrived at a conclusion with respect to it, and as the correspondence indicated that they were not agreed, and as the minister stated this afternoon there has been no further correspondence, therefore it follows that this parliament should not proceed with this matter at this time, and, Mr. Speaker, I do venture to plead with my friends opposite not to urge the government to proceed with it at this time.

Mr. Stevens also took part in the debate. My time is going by, therefore I will not read all of these quotations.

Mr. Martin: Who was the speaker the hon. member just quoted?

Mr. Knowles: Mr. Bennett. I started to say that I have a quotation from Mr. Stevens who was here at the time, and who urged that the legislation of 1926 be not proceeded with until, as the hon. member for Mackenzie says, the government had seen the provinces. What did Mr. King say after Mr. Stevens asked him not to proceed with the legislation? On March 26, 1926, as recorded at page 1979 of *Hansard* the following appears:

> Mr. Stevens: Therefore would it not be better to have the conference prior to the passing of this legislation?
>
> Mr. Mackenzie King: I think my hon. friend, if he looks into his heart of hearts,—

That is quite a phrase.

> —will agree with me when I say that if we are in a position to put before representatives of the provinces a plan which has been drafted and carefully considered, and an act passed by this parliament, and to invite the attention of the provinces to what may be essential in the way of amendment to it or its relation to their own legislation, a measure

of co-operation can be obtained that would not be possible if the provinces were simply brought together without any concrete legislation before them for consideration.

Later in the same session, on April 15, 1926, as recorded at page 2487 of *Hansard*, Mr. King said:

In reference to the answers from the nine provinces, which the hon. gentleman has just read, I might say that those very replies convinced the government of the futility of ever having an old age pension scheme enacted by correspondence with the provinces. We concluded that the best way would be to enact concrete legislation. We thought that was the only way we could get anywhere.

I submit, Mr. Speaker, that if the government of 1926 had listened to the objections of the provinces, had listened to the ruling of the Department of Justice, had listened to the protest of the official opposition, that act would not have been passed that year, and who knows whether we would have had the beginnings of old age pensions on the statute books yet. But no, the government of the day—under pressure, to be sure—felt that it was necessary to act, not just to consult, nor just to hold conferences, not just to study, and so they put the act on the statute books. Well, that act, as most hon. members know, was defeated in the other place. The hon. gentlemen over there seemed to agree with the idea of pensions for themselves, but they voted down the first old age pension act. To complete the record I must say that it was the Conservative majority over there that killed the first old age pension bill. What did the then prime minister do? He made it an issue in the election campaign of that year, and said that if he came back to power he would put that act back on the statute books. In the next session it was put on the statute books, and the leader of the Conservative party at that time got up in the House of Commons and said that they were in favour of the measure.

I submit, Mr. Speaker, that what happened in that case was that the government went over the objections of the provinces, the objection of the Department of Justice, the objection of the official opposition, to the highest court in this land, to the people themselves. The people said they wanted that legislation, and when the next parliament met the legislation was put on the statute books.

I submit that is the way the government should be acting now, not finding all possible ways and means to stall; rather, legislation should be brought in at this very session.

I have criticized the minister for not pinning himself or the government down to anything concrete. I would have to criticize the hon. member for Eglinton on the same score. He says that what this house wants is not a committee, but resolute action, and he stated the general position of his party as being one in favour of a national contributory old age pension plan. But I did not hear him tell the minister what he thought should be put into legislative form and brought before parliament at this session. Since I have criticized both of the previous speakers for that shortcoming, I must try and state clearly and without evasion what I think should be done; I must and will state the view of the party I represent on this matter.

In what I am about to say, I am going to have to use a word that I wish to define a little more fully. I refer to the word "contributory". But, bearing in mind the fact that I am going to define it, may I say that we believe in and advocate an over-all social security system on a contributory basis. But let it be clear that we support the contributory idea only in relation to an over-all plan. Anything piecemeal would have to be non-contributory. By "over-all" we mean a social security system which includes old age and retirement pensions, unemployment insurance, health insurance, sickness benefits, pensions for invalids, family allowances—everything that is necessary to provide real social security in the modern sense.

That is what we advocate. It is set out clearly in the platform we have circulated throughout the country, and it is toward that end this party is working. We recognize that a program of that extent will have to be attained by a few stages. Having admitted that, the next thing for me to do is to state clearly what I think the first stage should be. That is what I wanted the minister to do this afternoon; and I am sorry also that my hon. friend to my right failed to do it.

What do we say should be the first stage? As I said on Monday in another debate, we say—and I repeat it now—that the first thing to do is to get rid of the means test. I believe there is real significance in the way public sentiment has welled up against the means test the past few years. No one would now stand up and defend it. The idea of saying to people who have saved a little, who have got their own homes together, who have paid taxes and helped contribute to the wealth of the country, that, whereas others in destitute circumstances can qualify, those people cannot qualify for the old age pension—that just does not make sense at all. I insist that these thousands of cards which are coming to this building these days represent a very sound opinion; and I hope that even the hon. member for Winnipeg South (Mr. Mutch) will credit the people who are sending them in with holding very honest convictions that the time has come to do away with the means test.

Mr. Mutch: The hon. member for Winnipeg South seems to have got under your skin. Make your own speech.

Mr. Knowles: I have not heard anything so amusing for a long time as the speech made yesterday by the hon. member for Winnipeg South.

Mr. Mutch: I am getting along very well with the people in south Winnipeg.

Mr. Knowles: It is interesting to note that the press seemed to get the point which he was trying to get over.

I have said that we say the first hurdle to get over is the removal of the means test. Liberal members in the house who have been embarrassed by the fact that they voted against our amendment on September 19, 1949, to do away with the means test, are trying to get themselves off the hook by saying that they favour the abolition of the means test along with the introduction of a contributory system. In other words they are taking that good word "contributory" out of our program of over-all social security, taking it completely out of its context, and trying to put over on the people of this country something which is, if I may quote a couple of words from my home town friend across the way, a snare and a delusion.

Proof of what I am saying was given by something the minister said in his speech today. If I heard him correctly, he said that only ten per cent of the older people in the United States are receiving retirement allowances on the basis of contributory schemes now in effect in that country. He said that in addition to that small percentage there were a great many people drawing pensions from public assistance schemes such as we have in Canada. But the point I make, and which he substantiated, is that when you start with the contributory idea, as related only to the old age pension, you leave unsolved the major problem, namely the problem of universality, the problem of getting the pension to everyone, as of right.

There are a lot of things which could be said about the program of social security in the United States; but their major fault is their lack of universality. They made the mistake of going in for the contributory element first, rather than for getting rid of the means test first.

The thing that concerns me, and the reason that perhaps I get worked up about it, is that I fear from what the Prime Minister (Mr. St. Laurent) said in the house on February 20, and from what is being said by Liberal party members about this whole question, that the government is going to be under pressure to get started on a partial system, a system which is contributory and without a means test, but which would cover only a limited number of people.

Bear in mind the difficulty we have had getting unemployment insurance applied to all the people of the country. Bear in mind the difficulty the government has in collecting income tax from all the people of the country. And when you think of those problems, any body of officials who are instructed to work out a contributory system are going to balk at the idea of trying to work it out so that it will collect from everyone in the country.

The kind of pressure that is being put on today, to my way of thinking, is likely to result in the drafting of a scheme which is only partial in coverage, but which takes the heat off government members of the House of Commons, because it will solve the problem for some of the Canadian people. I urge the minister most strenuously to resist any pressure from members of his party or others in the cabinet to start off on that foot. Let us start the right way, by taking off the means test and by making the pension completely universal.

Mr. Ferrie: May I ask a question. You say you represent your party, and you talk about the means test. Why have they carried out the means test in your party in Saskatchewan?

Mr. Knowles: Apparently the hon. member did not listen to the quotation I gave a moment ago, referring to the present Minister of Agriculture (Mr. Gardiner) when he was a minister in the Saskatchewan government.

Mr. Ferrie: That has not anything to do with it.

Mr. Knowles: It certainly has. The Minister of Agriculture knew when he was in the provincial field that this sort of thing could not be carried out provincially, and that the only possible way to carry out a universal old age pension would be on a federal basis. Not only did the Minister of Agriculture know it in 1924, when he was a minister in Saskatchewan, but he knew it in 1945 when, as a member of the federal government, he was party to a proposal for a universal old age pension in Canada that was to be paid for and administered one hundred per cent by the federal government.

There is nothing embarrassing about the question the hon. member for Mackenzie has asked—

Mr. Ferrie: You see—

Mr. Knowles: Just a moment—for the fact of the matter is that it is only at the federal level where there is control over the economy of Canada, and it is only at the federal level where there is unlimited power in the raising

of taxation and other revenue. That is the only place where a complete social security program can be totally financed.

That, if I may say so, is one of the things which I dislike and deplore about the kind of talk that is going on and the kind of things the hon. member for Mackenzie is saying. If any legislation which is recommended by this committee is still on a dominion-provincial basis, then we will not have solved the problem, and we will not have complete social security.

Mr. Cote (Verdun-La Salle): What about British Columbia?

Mr. Speaker: It being six o'clock I do now leave the chair.

An hon. Member: What about Alberta?

Mr. Knowles: We live in Canada; don't you?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, March 3, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines Limited.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, a week ago, when I spoke for a few minutes on this bill, I indicated that my opposition to its passage is on the same grounds on which I opposed it last year, namely, that the route to be followed is not indicated. As a matter of fact all indications are that the company intend to build the major portion of the pipe line through the United States if they can secure the necessary permits and permission. I think this is abundantly shown by the fact that the company in its original application for a charter set out the route it was going to follow. On November 22, 1949, during the discussion of this bill, I read their application into the record, and it is to be found at page 2094 of *Hansard* for that date. I will not take the time to read the application again, except to refer to that part of it which deals with the route and reads as follows:

> . . . commencing at a point in the general Calgary area in the province of Alberta and thence to a point in the vicinity of Blairmore in the said province and thence to a point in the vicinity of Kingsgate in the province of British Columbia and thence to the United States of America, leaving Canada at a point at or near Kingsgate in the said province of British Columbia and re-entering Canada in the vicinity of Blaine in the state of Washington and proceeding north to Vancouver area in the province of British Columbia . . .

The company indicated the route clearly at the time they made their original application, and evidently they were then under the impression that they needed to specify it although subsequently, as I have said, it was not included in the bill which was submitted to us. In addition to that fact, the sponsor of the bill in introducing it a week ago today indicated that the company still wished to build the pipe line via this route. At the same time he said that the company was willing to build it wholly in Canada if they were forced to do so. He went on to speak of the Board of Transport Commissioners for Canada, the Alberta government and the Minister of Trade and Commerce from whom it would be necessary to secure permits before the company could build the line.

I think that establishes the point that the company will build the route through the United States unless they are forced to build it in Canada. From the first my contention has been that the primary step necessary to make sure that the route is constructed in Canada is for it to be specified in the bill which the house will pass, and that it should not pass unless an all-Canadian route is specified therein. I should like to refer to some remarks which the sponsor made when he introduced the bill a week ago. At page 445 of *Hansard* for March 3, 1950, he said:

> It is of primary importance, however, to see that the interests of Canada are protected in connection with this project.

On the next page there are these words:

> Now, Mr. Speaker, what are the interests of Canada in this matter? I suggest that the primary requirement is to see that potential Canadian consumers are provided for before any gas is exported.

I agree thoroughly with those statements, but all along my contention has been that the interests of Canada can only be served if the route is an all-Canadian one. To begin with, it seems perfectly obvious that the requirement which the sponsor of the bill has laid down, namely, that potential Canadian consumers should be provided for before any gas is exported, can only be met if the pipe line is constructed so as to serve the maximum number of Canadian consumers. There is no question that an all-Canadian route is going to bring gas to far more Canadian communities and thus far more Canadian people than one the major portion of whose length is on the United States side of the border.

In addition to that, once the gas leaves Canada and enters the United States it

passes beyond our control, and whatever the needs of the people of the United States may be in regard to gas they are going to be met before any of it is shipped back to Canada to serve the needs of Canadians. Following that, the sponsor of the bill argued that the cost of gas to consumers in British Columbia will be less if the route runs through the United States than if it is an all-Canadian route because the line will be shorter. That argument will only stand up if you assume that the gas to be sent through the pipe line is going to come from the Pincher Creek gas field in the southwest corner of Alberta. As a matter of fact the probability is that the major source of gas for export will be from fields considerably farther north in the Edmonton area. By the "Edmonton area" I mean the big perimeter around the city and the area to the north of that. If the major portion of the gas comes from those areas, then a route entirely on Canadian soil from there to Vancouver will be shorter than a route through the United States.

There is another point that enters into our consideration of the matter. Various people who have investigated the piping of gas from Alberta to Winnipeg are on record as saying that the best field for them to draw from so as to have the shortest and cheapest pipe line is the Pincher Creek field. If the pipe line is constructed through the United States it will draw off the major portion of the gas from that field, and it will probably be impossible for another pipe line to be built from there to serve Winnipeg and the cities in between.

During the past month a gas hearing has been going on in Calgary. It has to do with the application of the Westcoast Transmission Company for permission to build an all-Canadian pipe line to the west coast. In the course of the inquiry before the Alberta natural gas and oil conservation board, as I believe it is called, some interesting figures were brought out. I have here an article from the Calgary *Albertan* of February 2 of this year which gives some of this information. I should like to put it on record, in order to indicate the comparative costs as between a Canadian and a United States route for a pipe line, as far as consumers of gas in Vancouver and other points in British Columbia are concerned. The article is headed, "$14 million annually from Canadian route" and it reads:

> Transportation costs of gas by the all-Canadian route would put an annual $14,500,000 into Canadian pockets, it was revealed in Thursday's gas hearings.
>
> On the previous day it had been shown that out of $114 million of construction costs, $95 million would be spent in Canada.
>
> The total transportation costs of the gas, which after the fifth year would run around sixty billion cubic feet annually, would in a large part accrue to Canadian pockets in American dollars, it was evident from the Thursday testimony of William B. Poor, maintenance engineer on the staff of Ford, Bacon and Davis, U.S. engineering firm with headquarters in New York.
>
> Mr. Poor estimated the average transportation cost for the first five years of the line would run about $17 million a year. Some $14,500,000 would be spent in Canada and $2,500,000 in the States from the international boundary to Portland.
>
> It had already been revealed that three-quarters of the gas exported would be consumed in the States. Therefore the great bulk of the transportation costs would be payable on the Canadian side of the border in American funds.
>
> It was obvious that if the line were constructed through the States with Vancouver at the tail end, the great bulk of the transportation costs would never reach Canada but would be paid to an American affiliate company with headquarters in the U.S.A.
>
> The annual amount, it appeared, would be considerably increased when the line swung into full steam operation from the fifth year forward.
>
> Transportation costs for gas sold in British Columbia would total 29·2 cents per thousand cubic feet. This would be made up of 5·9 cents per thousand cubic feet gathering costs in Alberta, and 23·3 cents transportation costs from Edmonton to Vancouver.
>
> The U.S. would pay the total of 29·2 cents per thousand cubic feet plus 6·4 cents per thousand additional transportation costs from the border to U.S. points. This would amount to 35·6 cents per thousand cubic feet, compared with Vancouver's 29·2 cents. About three-quarters of the gas would cross the border for U.S. consumption, and costs on the Canadian line would be payable in American dollars.

That summary of the proceedings at the gas hearings in Calgary brings out very clearly, I think, the advantages to Vancouver and other British Columbia points of having the line run entirely in Canada. It indicates that the delivered price of gas to them would be between 5 and 6 cents less than the delivered price to the United States cities immediately to the south. What that would mean from the competitive point of view, with respect to the cost of manufacturing for companies using gas for that purpose, is quite obvious. It would mean that plants in Vancouver and other British Columbia points would be at a decided advantage as compared with similar plants in the United States. If on the other hand the line ran through the United States, with a stub up to Vancouver, exactly the opposite situation would prevail. The cost of gas in Vancouver would be 5 or 6 cents higher than in the United States cities to the south, with the result that people using gas for manufacturing purposes would be at a distinct disadvantage. The same thing, of course, would apply to people using gas in their homes for heating and cooking.

Those facts which were brought out at the gas hearing, and reported in this dispatch, in themselves should be sufficient to persuade

almost everyone in British Columbia that this should be an all-Canadian route; and it seems to me that if these facts were appreciated by the members of this house they also would be persuaded that the route should be all-Canadian.

Now I should like to turn to another phase of this matter. There is no question but that a gas pipe line from Alberta to the west coast will be a natural monopoly. Only one pipe line will be built; there is only a sufficient market for one line to justify the very high expenditure involved. Since that is the situation, and since it has now developed that there is sufficient gas to justify the construction of such a line—or at least assuming that to be the case—the main consideration facing us is where the pipe line should run, what should be its route in order to bring the maximum benefit to Alberta, to British Columbia and to Canada as a whole. It seems to me that is really the only important point we have to consider in connection with this or the other pipe line bill now before the house. These bills call for the incorporation of companies; but if we are to exercise any influence in relation to this extremely important matter of where the pipe line will run, our only opportunity to do so is before any charter is granted.

With regard to the best set-up as far as Alberta, British Columbia and Canada are concerned, I do not think there is any doubt but that it would consist of two things, first a gas-gathering system in Alberta, and second a pipe line to take out to the Pacific coast the gas so gathered. The gas-gathering system in Alberta of course would consist of pipe lines linking up the gas fields in the south with the field at Pincher Creek, then on to Turner valley and Jumping Pound west of Calgary, then on up to Edmonton, linking the numerous gas fields east and north of Edmonton, and then north again to the Peace river country in both Alberta and British Columbia. No matter where the pipe line may be built, I think there is no doubt but that a gas-gathering system of that sort will come into existence. The only question in that connection may be the extent of the gathering system.

The second main requirement is the pipe line to carry that gas to the market on the Pacific coast. It might run from anywhere along the length of that gathering system; but my contention is that, other things being equal, the farther north that pipe line runs the greater will be the advantage to us in Canada, for the reason particularly that the farther north it runs the more new country it will open up for development, not only in the way of drilling oil and gas wells, but also the building of roads, railways, and the opening up of the area for agricultural purposes.

At the last session, I believe I made two or three speeches on this subject. At that time I outlined, as did various other people, the advantages of an all-Canadian route. These are so obvious that I think anyone who studies the subject is bound to be convinced that such a route is a must, so far as we are concerned. However, I should like to summarize those reasons. Some of them I have repeated tonight, so I will not expand upon those.

The first of these advantages is that a Canadian route will give the maximum number of Canadians a supply of natural gas; that is quite obvious. There is no question but that the more Canadian communities the line goes through, the more opportunities there are going to be to develop industries along that route, and the more people will be able to heat their houses and do their cooking with this cheap fuel. Second, control of the gas would remain in Canada until Canadian needs were satisfied. I have dealt with that question to some extent tonight. Third, more Canadian employment will result from the construction and maintenance of the pipe line, if the Canadian route is chosen. At the same time, more Canadian employment will be provided through the manufacture of pipe and fittings, things of that sort, in Canada. At a time such as this, when a considerable amount of unemployment has developed in this country, and when there is fear as to what the employment situation may become, it seems to me that any project which is going to increase the amount of employment in this country should be given the greatest consideration.

It is, of course, quite obvious that if three-quarters of the length of this pipe line is built in the United States, it is going to be built by American labour; the maintenance crews that keep the pipe line running afterwards are going to be American. All that employment will go to people in the United States, and not to Canadians. If the line is built in Canada, somewhere between two and three thousand Canadians will be given employment during the construction period which will cover two or three years. Then, the people who are required to maintain the line will have jobs indefinitely. In the same way, if three-quarters of the length of this pipe line is built in the United States, the pipe used in the construction of it, the various fittings and compressor stations, will all be manufactured in United States plants.

The fourth advantage is that more new country will be opened up by the building of this line in Canada. As a result, some stimulus

will be given to new drilling. One way in which that will be done will be by the amount of road construction which will be necessary, and this will open up new areas. As a result, people will be able to get into places where they cannot get at the present time. The story of the search for oil is also to some extent the story of the search for gas. If a pipe line runs close to a certain area which it is possible to develop as an oil-producing area, even if oil is not found in large quantities but gas is discovered, a considerable amount of drilling will result in such areas. When there is no market for the gas, or no market to which the gas can be taken, such areas are left undeveloped.

The fifth point I should like to make is that the Canadian route will mean that the cost to the Canadian consumer in British Columbia will be less than if the route were built in the United States. I have already dealt with that point, so I will not enlarge upon it.

The sixth point is this: The competitive position of the manufacturers using gas will be advantageous as compared with the same type of manufacturer in the United States coast cities. I have dealt with that point tonight, too.

Number 7: More American dollars will be earned by having a Canadian route. I believe that point was dealt with in the article which I read from the *Albertan*. It indicated that with the Canadian route some $14,500,000 in American funds would be earned in transportation costs. With a route chiefly in the United States, you would probably have a proportion of approximately $3 million in United States currency for transportation costs, and the remainder of the transportation costs would be paid in the United States. The advantage of receiving that amount of United States dollars, considering our present trade situation and the adverse balance with the United States, is important in itself.

The eighth point I should like to make is that it will be a distinct advantage from the defence point of view to have the line in Canada. The construction of wartime factories in the mountains, which could make use of a source of cheap power of this kind, might be a distinct advantage. Certainly it is a considerable advantage to have that cheap and vital type of fuel available in the interior of our country, rather than having to depend upon other fuels for our power. This applies particularly, of course, to inland British Columbia points, such as Kamloops, Trail and so on.

I should like now to say something about another point. Last year, and again this session, speakers have been arguing that we should pass this bill, and that the route is none of our business. They say that is a matter for the board of transport commissioners, for the Alberta government, and for the Minister of Trade and Commerce (Mr. Howe). We have not anything to do with it. All we have to do is grant a charter or not grant a charter.

I think nothing could be farther from the truth. In matters of this sort, the members of parliament have a responsibility to see that no charter is granted which may be used to dissipate Canadian resources, or which would result in action being taken which would be injurious to the various parts of this country. In this case, I am referring particularly to British Columbia. It seems to me that as members of this house we must decide whether the route should be indicated in the bill. It is not possible to move an amendment to that effect at this time; if it were I would do so. It is also our responsibility to decide whether the route of the pipe line should be Canadian.

Some hon. members have said that they will vote for second reading in order to get this bill into committee so that the matter of route and other things may be discussed in detail. In view of what has been indicated so far this year, and in view of what was indicated last session by the Minister of Trade and Commerce (Mr. Howe), I have no doubt that the bill will be pushed through. If the bill should go to committee I am sure that the information given to hon. members will be along the lines I have indicated and will show clearly that all the advantages are with the Canadian route. If hon. members are not satisfied with the information they are given, if a Canadian route is not specified, then I hope they will oppose the bill if it should come back to this house for third reading.

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, as the member for Edmonton East, which constituency is located in the midst of the most productive oil fields in the province of Alberta, I rise to express my concern that a small minority in this house should attempt to delay the business of the country. This minority is controlling our right to vote on the question we are now discussing. This minority is not allowing us to proceed with public bills and private members' resolutions which I believe are most important to this country. I submit that hon. members of this house should now be permitted to register their opinion on this matter, and I move, seconded by the hon. member for Jasper-Edson (Mr. Welbourn):

That the question be now put.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, at the last session of parliament the Prime

Minister of Canada (Mr. St. Laurent) felt it desirable to allot extra time for the discussion of a bill similar to the one now before us because of the importance of that bill to the people of Canada. For an hon. member to get up and suggest that it is not in the best interests of democracy that all phases of this bill should be discussed is simply preposterous.

I spoke on a similar bill last session because I believed that if the pipe line was routed through Canada it would be advantageous to that part of the country which I represent. I felt that it would be advantageous to Canada as a whole to have the pipe line routed solely through Canada. I am not going to repeat the arguments I advanced at the last session, but I do submit that we should look at this proposal from a broad national point of view rather than to consider only the advantages which might accrue to our particular constituencies.

In his closing remarks the hon. member for Calgary East (Mr. Harkness) referred to the importance from a national defence point of view of routing this pipe line through Canada. I want to enlarge upon that because I believe it to be of prime importance from a defence point of view that the line should be routed through Canada. It was mentioned that industries might be located along the line and that certain military establishments might be constructed or maintained in the mountains at points in the vicinity of the pipe line where they could get cheap power.

Before I deal with that particular point may I say that I think it is well for this house to realize the position of our defences on the Pacific coast. I spoke about this at the last session when I referred to the gap in our defences which exists along the Pacific coast from the United States boundary between British Columbia and the northwestern states to the boundary between British Columbia and Alaska. Nothing has been done since last session to fill that gap. In fact the situation has deteriorated.

Last year the Royal Canadian Navy had on the Pacific coast a cruiser which was considered to be an operational vessel. Toward the latter part of last session we were informed by the Minister of National Defence (Mr. Claxton) that that cruiser was to be turned into a training ship. There are no submarine hunting units on the Pacific coast such as there are on the Atlantic where they have the carrier *Magnificent* and certain frigates which would be available for the hunting of submarines which might lurk in those waters should there be another war. Within the last few months there have been reports from United States sources that unknown submarines have been off the shores of British Columbia and the western states. On the Pacific coast we have no vessel of the Royal Canadian Navy that can hope to cope with the new submarines that we know other powers possess. That is merely one phase of it. Only a few months ago, when answering questions which were prompted by the Mainguy report, the Minister of National Defence (Mr. Claxton) made it quite clear that in his estimation the defences on the Pacific coast had to play second fiddle to the defences on the Atlantic seaboard. Even questions such as a laundry, which was one of the very minor points brought out in the Mainguy report, which the naval authorities at Esquimalt had been asking for for years, was turned down because other places had a higher order of priority.

Only today I received a copy of the Victoria *Colonist*, dated March 4, in which I find an editorial deploring the fact that there is no air force headquarters at Victoria.

Mr. Deputy Speaker: Order. The remarks of the hon. member are not relevant to the pipe line bill.

Mr. Pearkes: Mr. Speaker, my endeavour now is to show how weak our defences are on the Pacific coast, which emphasizes the supreme importance of the moving from the vicinity of the coast, and the coast cities, some of the manufacturing establishments that are there. After removing them where are they to go unless they are to go where they can get cheap power? And if the cheap power is to be sent east of the Rockies and south of the international border, then there is no place to which these industries can be moved.

I do emphasize the point that the air defences of the Pacific coast are amazingly weak. Year after year those who have been connected with the R.C.A.F. in Victoria have been pleading for an auxiliary squadron to be established, or for a headquarters from which the training of air force personnel might proceed. As this editorial says—

Mr. Deputy Speaker: Order. I would ask the hon. member to confine his remarks to the principle of the bill.

Mr. Graydon: He is right on the beam.

Mr. Fulton: Mr. Speaker, I would remind you that natural gas is a very hard element to confine.

Mr. Pearkes: If you so rule, Mr. Speaker, I will not refer to the headquarters which the air force personnel wish to have established in Victoria, except to mention a letter that I received today from the Minister of National Defence in which he said that the matter

will be kept under review along with other requirements, and that construction will not be proceeded with until such time as a number of other needs of greater priority have been met. I should like to emphasize the words "of greater priority". Quite obviously the Minister of National Defence feels that there are other places where defence votes should be spent first before they are spent on the Pacific coast. One might almost come to the conclusion that British Columbia is to be written off as expendable, should there be a third war, so deplorable are the defences on our coast. That only brings out in greater emphasis the importance of moving from such metropolitan centres as Vancouver, Burnaby and New Westminster these manufacturing establishments which are being maintained there, and which will be so vulnerable in the event of a hostile attack on the Pacific coast.

All up the Fraser valley, all up the two trans-continental railway lines, up the valley of the Thompson river, there are many opportunities to decentralize the industries that are now collected around Vancouver and are so vulnerable to the possibility of attack.

Some years before the last war, plans were made to select a point where reserves of stores and ammunition might be collected. The most central point that was found was in the area of the city of Kamloops. Army, navy and air force stores have been established there. I am not going into the nature of the stores. Let it be sufficient to say that they are of immense importance to the defence not only of British Columbia but of the whole of Canada. These stores have to be maintained. Certain of that equipment has to be maintained at constant temperature. Certain of that equipment requires repair facilities, machines and so on which are required to do the necessary repair work. It requires power to carry out those tasks. That is only one centre. It is a logical centre because the two trans-continental railways go through there, and so will the trans-Canada highway. There are other highways leading up to the north country, going from Ashcroft up to Cariboo, up to Prince George and perhaps on from there ultimately connecting up with the Peace river block and on up to the Alaska highway. There is also the possibility of a road being constructed following the line of the Canadian National railway.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member. The debate is not on highways or on railways; it is on pipe lines. I would ask the hon. member to confine his remarks to the principle of the bill.

Mr. Pearkes: In order that this pipe line be constructed, it is essential that there shall be a railway and a road. I cannot conceive of a pipe line being constructed without either a railway or a road on which to bring the material to that pipe line. I would point out that those facilities do exist on the Canadian National railways running from Edmonton, through the Thompson valley to Kamloops, along which there is a road at least partially constructed. I am sure that road would have to be improved.

From all the reports one reads in the newspapers I do not believe the trans-Canada highway is to follow that route. Only last week I received a copy of the Edmonton *Journal*, I believe it was, which went to considerable lengths in advocating that the trans-Canada highway be built through the Yellowhead pass. I do not imagine that that route is to be constructed as part of the highway. However, there is no earthly reason why a second route should not be constructed along there which would—

Mr. Deputy Speaker: Order. The principle of the bill is not the construction of roads or highways, but rather the construction of a pipe line.

Mr. Pearkes: I apologize if in the point I am trying to make I have become a little involved, but I have been prompted to speak by the observations of the hon. member for Edmonton East (Mr. Macdonald), and I had not prepared my speech in advance.

The point I am trying to emphasize is that while that area may not be served by the trans-Canada highway, either it will have to be served by a highway before the construction of the pipe line is completed or else a highway will have to be constructed and maintained after the pipe line has been laid, so that there will be an alternative route.

That is a matter of immense importance so far as the defence of this country is concerned, because at the present time there is no highway striking northeast from Kamloops up toward Edmonton. One has to go around the Big Bend, through the Rockies, through Banff national park, or in to Calgary and thence up to Edmonton. This would shorten the route tremendously.

So the very construction of this pipe line, with its attendant road, would be of value not only from the point of view of national defence but also from that of opening up that country. I hope therefore that before final consideration is given to the bill, however indifferently I may have presented my argument, these serious points may be considered. There is a Canadian aspect to be considered, and the defence point of view which is affected by and dependent upon the route selected for this pipe line.

If British Columbia is to be liquidated, if British Columbia is to be considered as expendable, if the government is going to adopt in that province a scorched-earth policy, then by all means put the pipe line east of the Rockies and run it across into the United States. But, please, tell the people of British Columbia that you want to wash your hands of them, and perhaps they might even then consider that the Rockies would provide a good defence.

Some hon. Members: Carried.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, it is not my intention to delay the passage of this measure. Perhaps I would not be on my feet now were it not for the amendment moved. Perhaps the hon. member felt that by offering the amendment he would expedite matters. I would advise him however that the amendment gives everyone who has spoken the chance to speak again.

Mr. Cruickshank: Hear, hear—and we will, too.

Mr. Gillis: It merely throws a monkey-wrench into the matter. I am not particularly anxious to accept that kind of measure.

Mr. Smith (Calgary West): It is part of a pattern.

Mr. Gillis: In the House of Commons there is sufficient latitude for the consideration of any matter, and I do not like anyone to inject these methods into debate. In many organizations throughout Canada high priests have grown up, and this is the kind of method we find them adopting. They receive their orders from the head table, and carry out those orders. But we want to keep clear of that in the House of Commons.

I am interested in the principle of the bill. Thus far the discussion has been between Alberta and British Columbia, Alberta apparently wishing to sell oil and wanting a pipe line built as quickly as possible, and British Columbia, on the other hand, saying that it should be an all-Canadian route. There may be some selfishess in both arguments, but I am with the British Columbia group in their desire to have this an all-Canadian route.

With all due respect to the hon. member who presented the bill, he told us that it would go to a committee, that they want to get a franchise and want to build a pipe line. That is as far as he could go. But what happens after these pipe lines receive their franchise? We have already put five bills similar to this one through the House of Commons. On those occasions we were told that the building of these pipe lines was going to create a lot of employment in Canada for Canadians, that factories in Canada would be turning out pipes—hundreds of thousands of tons—and that Canadians would be working on them.

Well, the Saskatoon *Star-Phoenix* states that 78,000 tons of pipe required to build the line from Alberta to Wisconsin is being imported from the United States into Canada. Those who sponsored the bill at that time, when they said it would provide work for Canadians and keep our factories and steel plants going, believed that.

Mr. Robinson: On a question of privilege, I think I sponsored the bill to which the hon. member has referred, and I made no such remark.

Mr. Gillis: There were five of those bills, and a lot of speeches were made.

Mr. Deputy Speaker: Order.

Mr. Green: Adjourn the debate.

Mr. Gillis: I move the adjournment of the debate, Mr. Speaker.

Motion agreed to and debate adjourned.

Mr. Deputy Speaker: The hour reserved for private and public bills having expired, the house will resume the business that was interrupted at six o'clock.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed consideration of the motion of Mr. Martin:

That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters:

That 28 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto;

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the

above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to draw together the remarks I was making before six o'clock in reference to this motion for the setting up of a committee on old age security.

I had pointed out that we in the C.C.F. believe in and advocate a program of over-all social security. We believe that the program should protect Canadians against all the exigencies over which they have no control, and that it should include health insurance, sickness benefits, unemployment insurance and the like, with an emphasis, in the light of the motion before us, on proper old age security. I said before, but I wish to emphasize it now, that when a social security program is an over-all program we believe it should be on a contributory basis. I want to make it equally clear that we do not support the contributory idea for any piecemeal one point plan such as seems to draw support from many sections of the house. I think the remarks of the minister this afternoon should be qualified on that point. He included us with those supporting a contributory system, without stating the qualification I have indicated. We do support a contributory over-all system but when you talk about one point coverage we feel that to put any such piecemeal proposal on a contributory basis would be "a snare, a delusion and a fraud," if I may again quote the hon. member on the other side.

I have stated that, Mr. Speaker, as a summary of our basic position, the ideal towards which we are working, and towards which we believe this country should strive. Before us at the present time, however, is a motion that does not deal with over-all social security. It deals with only one phase, namely, old age security. The motion envisages only the setting up of a committee, but if I can anticipate that it might involve some legislative changes after the committee has done its work, at the most it envisages a change by way of perhaps one step with respect to one phase of social security. In concrete and practical terms the question that is actually before parliament at this time is this. What is the next step to be taken in the field of old age security? I said on Monday of this week, and again before six o'clock this afternoon, that we feel the first step to be taken is the removal of the means test from the present old age pension.

Mr. Larson: Would the hon. member permit a question?

Mr. Knowles: I permitted so many interjections before six o'clock that my time is just about up. If you will ask me your question just as I sit down I will be glad to answer it. Don't forget to do so.

[Mr. Deputy Speaker.]

Mr. Larson: I will ask it.

Mr. Knowles: Mr. Speaker, I have already said that I think there is real significance in the thousands of petitions we are receiving these days which emphasize the need for removing the means test from the old age pension. I think it is also significant that in the memorandum presented to the federal government yesterday by the Trades and Labour Congress of Canada the section having to do with old age pensions asked for a number of changes, but the first point was that the means test should be abolished. The point I am driving home as strongly as I can—and let me repeat it—is that at best there is before us the possibility of some one change being made in the field of social security, indeed one change in the field of old age security. I insist that the first change to be made should not be the introduction of the contributory feature, thus getting into the difficulties that they have got into in the United States. The first hurdle to overcome is to get rid of the means test, thus making old age pensions in Canada universally payable to all of our citizens as a matter of right.

Since that is the situation at the present time, one of the things that I dislike about the wording of the motion now before us is that it does not give to the committee that it is proposed to set up the right or authority to discuss or study the possibility of the immediate removal of the means test from the present old age pension. Hon. members know that the terms of reference of a motion setting up a committee are very important. They become the constitution which restricts the activities of the committee. Please note that the committee is to have the right to study the operation and effects of existing legislation. Then it is to have the right to study possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles.

I submit that that clause is the heart of the motion. The rest of it refers to the right to study the probable cost, the constitutional changes that may be necessary, financial problems and so on, but the heart of the motion is in the words that the committee is to have the right to study possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles. Please note that what it gives the committee is the right to study other schemes altogether, not possible changes in the legislation now in effect. It does not give the committee the right to study the possibility of taking the one step which I

insist is the first step to take, namely, the removal of the means test from the present old age pension. Therefore, Mr. Speaker, because of that serious shortcoming in the motion as it is before us—

Mr. Martin: The committee can study anything. This motion is very wide.

Mr. Knowles: Mr. Speaker—

Mr. Ferrie: Don't put a stumbling block in the way.

Mr. Knowles: The minister can make interjections and the hon. member for Mackenzie (Mr. Ferrie) can throw in his interruptions, but anybody who has been here for any length of time knows that a committee is limited by the terms of reference. Anyone who has been on committees knows that chairmen of committees see to it that the committee does not go beyond the terms of reference.

Mr. Martin: This does not limit anything, and you know it.

Mr. Knowles: Pardon?

Mr. Martin: Nothing is limited by this motion, and you know it.

Mr. Knowles: Mr. Speaker, it is extremely limiting. It limits study to possible alternative measures, and the emphasis with regard to possible alternative measures is on plans based on contributory insurance principles. Please note that—

Mr. Martin: Pure quibbling.

Mr. Knowles: —it does not provide for a discussion of the kind of contributory scheme that the minister referred to this afternoon when he quoted from what the Prime Minister (Mr. St. Laurent) said in Vancouver in April of 1949. The Prime Minister was not talking there about contributory insurance principles; he was talking about people paying in accordance with their ability to pay—in other words, on a basis built into the income tax structure—and drawing their benefits as of right rather than in relation to the amount paid in. On the other hand, the so-called contributory insurance principle is what the Prime Minister talked about on February 20 in this house when he said he favoured a direct contributory system, when he said it had to be a matter of contract, when he said he knew of no way in which you could get rid of the means test unless there was a contract on the basis of which the individual person had paid for his own pension.

I am glad that the Minister of National Health and Welfare (Mr. Martin) put on the record this afternoon the statement of the Prime Minister on April 14, 1949, in Vancouver so that it can be set against the statement the Prime Minister made on February 20, 1950. In fact I hope the statement put on the record today washes out what the Prime Minister said on February 20, and that we are through with that kind of approach.

I now wish to move the amendment I suggested a moment ago for the purpose of making absolutely sure that the committee will have the right to discuss the step that is most important in old age pension legislation in Canada at the present time, namely, the removal of the means test. Therefore I move, seconded by my colleague, the hon. member for Vancouver East (Mr. MacInnis):

That the motion be amended by inserting therein after the words "contributory insurance principles" the following words: "and also the possibility of the immediate removal of the means test from the present old age pension."

The Minister of National Health and Welfare has interjected that the committee can discuss anything. I have already argued with him on that point, but from the experience I have had I know I am right when I say that your terms of reference must include what you want to discuss for you cannot go beyond them. If, however, the minister means what he implied, namely, that it is all right for the committee to discuss the possibility of the immediate removal of the means test from the present old age pension, then let him accept this amendment so that the terms of reference of the committee will be quite clear.

Mr. Martin: Will you let me make an observation on that point right now? The resolution as drawn will permit the widest study of the question of old age security. The purpose of the amendment, I suggest with great respect, is not to clarify in any way what is already clear, but something else.

Mr. Knowles: Oh, no. The purpose of my amendment is very clear, even though the minister may try to suggest that there may be some untoward motives behind it. The fact of the matter is—and I think he will agree with me—that the question involved in this amendment is one that certainly has to be discussed at the present time. I hope he agrees with me that it is the most important step to be taken in the field of old age security; but I repeat, and there are plenty of members around me who know from experience how right I am, that when you get into a committee whose terms of reference are not broad enough, you are soon prohibited from discussing those matters which are not included.

Mr. Martin: You will not be prohibited.

Mr. Knowles: I suggest that the minister would render a far greater service to the

cause of improving our old age pension legislation by accepting this amendment rather than by trying to suggest that I should not have moved it. If, as he argues, he favours the taking of forward steps in the field of old age security legislation, let us not find ourselves in the position when we get into committee of discovering that we have to stick to a discussion of alternative schemes, and with particular reference to plans based on contributory insurance at that. Even if the committee should bring in a report on that basis I suggest that nothing could be done in that connection at least until the conference next fall, and perhaps not even until the time of the next election. What we want, and what I have been arguing for throughout my remarks, is to have less of this general talk and something specific put before parliament at this session.

Mr. Ferrie: Let's go to work.

Mr. Knowles: For once I agree with my hon. friend. Let us go to work and get rid of the means test in connection with old age pensions at this session of parliament.

Mr. Ferrie: But you won't let anything go through the house.

Mr. Larson: In this year 1950, when everyone is social security minded, I should like to know how the hon. member reconciles the position taken by the socialist government in Saskatchewan, where they impose a means test on one of the smallest supplementary old age pensions in the country, and have the smallest mothers' allowance in the country, while the party in this house takes the position that we should remove the means test entirely.

Mr. Knowles: If I may answer that question, I have two things to say. In the first place, this afternoon I quoted from a statement made back in 1924 by the present Minister of Agriculture (Mr. Gardiner), who is my hon. friend's high priest, to the effect that provincial governments could not possibly participate in any old age pension scheme. The Minister of Agriculture knew in 1924, and so stated; and he knew in 1945, when he was a party to the proposals made to the dominion-provincial conference—

Some hon. Members: Answer the question.

Mr. Knowles: I have been asked a question; let me answer it. The minister knew that the only way you could pay for a universal old age pension without a means test was on a federal basis. Not only Saskatchewan; no province in this country could afford a universal old age pension without a means test.

[Mr. Knowles.]

Mr. McIlraith: Don't skate around; answer the question.

Mr. Knowles: Hon. members do not even seem to want an answer. The only government that can finance a universal old age pension without a means test is the federal government; and that applies to all provinces. The other answer to the question asked by the hon. member for Kindersley (Mr. Larson) is that the means test in effect in the province of Saskatchewan is the means test laid down in the federal old age pension regulations.

Mr. Ferrie: What about the mothers' allowance?

Mr. Knowles: Oh, go and get one.

Mr. E. G. Hansell (Macleod): Mr. Speaker, after this bit of by-play my contribution to this debate may appear to be a sort of anti-climax. Sitting in this corner as I do, surrounded by hon. gentlemen of socialist mentality, I must say that I sometimes feel like Daniel in the lions' den. I do believe the question just put to the hon. member for Winnipeg North Centre (Mr. Knowles) was rather well taken. I agree with the hon. member that any over-all social service scheme perhaps would have to be on a federal basis; but the question asked was why a provincial government, which is also able to tax the people for revenue, should impose the means test for an extra $2.50 a month. That was the question, and it cannot be answered by saying it must be done on a national basis.

The answer is that the province of Saskatchewan is short of revenue; we may as well admit that. So are other provinces that cannot augment the present old age pension. There is no mystery about that. Saskatchewan is not as fortunate as some other provinces, which are able to collect higher revenues. British Columbia, I understand, has a sales tax. Saskatchewan had one and then took it off.

Mr. Stewart (Yorkton): Does the hon. member not know that Saskatchewan's revenues today are $55 million, the highest in its history, and that it still has the sales tax, which yesterday was increased by one cent?

Mr. Hansell: If that is so it is all right with me. I am not quarrelling with Saskatchewan; let them run their own business. All I am saying is that to use the argument that it must be done on a national basis is but to avoid the question of whether the means test must be imposed by Saskatchewan if the pension is to be increased by $2.50; so I say that answer is not well taken. However, I will let those hon. gentlemen fight it out between themselves.

Some of us have been sitting in this house for a long time, Mr. Speaker, and some of us

on the opposition side have been waiting patiently for many years to have the government in office bring down some legislation that would eclipse in proportion what I have termed over the years as the miserly old age pension scheme we have today. Each election the Liberals go to the country saying, "Put us in and we will do something to better the lot of the aged." I have kept a record of the advertising that has been carried on for several past elections, dating back to 1935; and almost every election the same thing occurs.

Now, I am saying this for a purpose. The other day the member for Winnipeg North Centre (Mr. Knowles) asked a question of the Minister of National Health and Welfare (Mr. Martin) concerning what might be done for the incurables. What was the answer? The minister's answer was that this subject is continually under review by the government. Of course, that is no answer. What is responsible government supposed to do but review things, and on the basis of their review bring down legislation? If the review had only occupied about six months, the answer might have some merit. Since the review must have been going on for the last ten years or more, I do not believe that sort of answer is good enough. Surely, if the government has been reviewing the question of old age pensions, even under a contributory scheme, they should be in a position today to bring down definite legislation covering their proposals and policies.

It is for this reason that some of us believe this motion to set up a committee becomes a sort of red herring drawn across the trail to attract attention, to make people believe we are about to do something, the only result being to delay the start of a better old age pension scheme. I am in agreement with some of those who have spoken today in saying that, if the government has been reviewing this question over a period of ten or fifteen years, they surely have the facts and figures before them. They must have these facts and figures in sufficient detail that, even though the committee is set up, they could not get them in any greater detail. If that is not so, then the government has failed in its attempt to adequately review the situation.

I am going to suggest to you, Mr. Speaker, that the reason for having this committee investigate the matter of old age pensions according to the terms of reference is that the government has reached the limit of its ability to tax the people of Canada. They say, "We know that if we are to bring in a better old age pension scheme, it is going to cost a tremendous amount of money." The next question is, where is the money to come from? The people cannot be taxed any more, and that is the government's problem. They say, "We shall go further and bring in a contributory scheme of old age pensions; by that means we will shift the burden from the general tax revenues, and place it upon the people who pay into a designated fund called the old age pension fund." What they are really saying is that they will not tax the whole nation in the sense it is being done today; they will not raise the taxes of the nation as would have to be done in order to bring in a better scheme. But the people will be taxed in another way. By adopting a contributory scheme, the people would have to pay into that fund, which of course is just another form of taxation. Then the government would argue that the more the people can put into this fund, the more they will be able to draw out. I suppose that might be logical.

I am not so confident as the minister seems to be that this will lead to progressive legislation. I believe it could be regarded as a way of escaping responsibility, because the government cannot put in a more elaborate scheme without raising taxation. This, therefore, is just a way of escape for responsible government, by bringing in a contributory scheme and shifting the burden of taxation from the ordinary revenue to the old age pension fund.

I do not know whether this question has occurred to the government, but I should like to ask what they consider the purpose of an economic system is. It seems to me that the purpose of an economic system is to give the highest standard of living and security that the production of the nation is able to obtain for the people; in other words, the goods and services the nation is able to produce and distribute. How does this government operate the economic system, or any other government that might replace it which would have the same monetary mentality? Under our present administration, the way it works is simply this: We reach a high capacity of production, and then when our people do not have the money to buy it we attempt to get rid of it in a series of ways, instead of devising a distributive system that would make it available. Surpluses continue to pile up, and unemployment becomes prevalent. We then have low incomes and unemployment in the midst of abundance. The government begins to sweat and stew about what it is going to do.

Then, of course, they look at our aged citizens with heads bowed in shame and say, "We are sorry; although there are plenty of the necessities of life, we cannot give you more than a pittance." That is the picture,

and I do not think anyone will gainsay that picture. What is going to happen under the proposed contributory scheme if the financial policy is not changed? The old-line party thinkers will look at our aged people and say, "It is your own fault; here you are in the midst of abundance with no pension to draw upon. You did not contribute enough in the past." I believe that is what will be said. Not only is the government shifting the burden of taxation, but they intend to shift the responsibility.

Let me say this, that personally I do not think it takes any brains to run a government under a taxation system. Surely it does not take any brains to say, "We will do just what we are able to pay for and that will be counted in terms of how much we are able to get out of the taxpayer." It does not take any brains to work that out. Any schoolboy could figure that one. He goes downtown to buy some marbles or something and he says, "I can buy only the marbles for which I have money to pay." That is schoolboy stuff. It does not take any brains for a government to run a nation's business if they have the ability through legislation to stick a gun in the taxpayer's ribs and say, "Now, pay up; we need so much money to run the country." It does not take brains; it takes a little gall and political acumen to do it and still stay in office.

What is going to happen under a contributory scheme to those who cannot contribute? What is going to happen to those who have been transients in bygone years through no fault of their own? What is going to happen to those farmers who are on submarginal lands? Some of us know of these farmers who in days gone by lived on a starvation level. I am not one to paint harsh and dark pictures when there is no need, but we remember how in the thirties the farmers were coming to us. They were mortgaged to the hilt, prices were depressed, crops were not good and the mortgage companies were going to take their land. They came to us almost on bended knees and said, "Isn't there something you can do?" That was the reason the Aberhart administration brought in a moratorium on debt—simply to save the farmers.

It was not until war broke out and prices began to rise that the farmers were able to get out of debt and retain their farms. How are they going to contribute to a contributory scheme when there are no crops or prices are depressed?

Mr. Cote (Verdun-La Salle): Those are questions for the committee.

Mr. Fleming: Has not the government the answers yet?

[Mr. Hansell.]

Mr. Knowles: I thought we had responsible government.

Mr. Hansell: I hope that goes down in *Hansard*. I hope the parliamentary assistant to the Minister of Labour speaks with some authority because I have doubted that that committee would investigate the economic factors that this country has had to deal with over the years. If they do they will have to come to us who are Social Crediters for assistance. I do not want the minister or the parliamentary assistant to keep quiet now; I want them to stick out their necks just a little further.

It is all a matter of whether the government is willing to change its financial policy It should be willing to face the facts and say "We will change our financial policy if the suggested policy is sound and reasonable, if it will work; we will do it in order to bring about the operation of an economic system that will give our people security and contentment all their lives".

There is one sentence in this motion to set up a committee to which I should like to draw attention. This sentence in the terms of reference might go unnoticed if I did not mention it, and besides I intend to expand upon it. It says in the first paragraph that the committee is empowered to investigate the probable cost thereof and possible methods of providing therefor. I thank the minister for putting that in the motion. I believe he was conscientious when he did it. I am going to ask him to answer this question: Is it understood that the committee will call in various financial experts of the different schools of thought so that the committee can recommend changes in financial policy?

Mr. Knowles: The minister told me the committee could study anything.

Mr. Hansell: I want the minister to answer that question when he replies. The minister said in his speech that they were desirous of having the views of all parties. They will do this anyway, but let the Liberal party call in their financial experts. Let the Conservative party call in their financial experts.

An hon. Member: the same ones.

Mr. Hansell: Most likely they will be the same ones. If they are not, I am certain they will give the same advice. Let our socialist friends here call in their financial experts.

An hon. Member: They will be the same.

Mr. Hansell: I am inclined to think they will be the same also.

Mr. Knowles: They will be the intelligent ones.

Mr. MacInnis: Whom did Aberhart call in?

Mr. Hansell: Let the Social Crediters call in some of their financial experts.

An hon. Member: Douglas?

Mr. Cote (Verdun-La Salle): We want to conclude our business this year.

Mr. Hansell: I do not think they dare do that. If it is a matter of getting money the Social Credit experts will be the only ones able to give an answer.

Mr. Blackmore: I defy them to come out and debate it on the floor of the house.

Mr. Hansell: The minister said that he wanted to have the views of all parties and then he began to lay down the views of himself and the government as to monetary policy and then he said: There is no other way. If there is no other way, then why does the minister want the views of all the other parties?

An hon. Member: Why does he want a committee?

An hon. Member: He loves you all.

Mr. Hansell: When the minister said, "There is no other way," he said it with such emphasis that I thought he was speaking with the voice of the gods. When he looked around for a monetary explanation as the only way, I fancied that he would have gone to some other authority, some wizard of finance, some top man versed in monetary techniques. Perhaps he did, I do not know; but the best authority he could get was that great wizard of finance and monetary technique, the hon. member for Vancouver East (Mr. MacInnis). I have a great regard for my hon. friend from Vancouver; he has been here a long time. He has a good many years' experience behind him. He is an original thinker and a practical man in many ways. I have a high regard for him, but I do not think he would class himself as an exceptional wizard on economics and finance.

Mr. MacInnis: I have proved that I am not.

Mr. Hansell: I am happy to have my friend say that. The Minister of National Health and Welfare, who is sponsoring the resolution, quoted him, and then he said: "I believe that. That is my position. There is no other way; for money must come out of production."

Mr. Hatfield: Social Credit.

Mr. Hansell: We believe that money must come out of production. We Social Crediters believe that, but the interpretation as to how he should get it out of production is entirely different from ours. The hon. member for Eglinton (Mr. Fleming) also said the same thing. Of course he amplified his remarks a little bit. He said it has to come out of national income, and that of course if there were a Conservative party in power they would follow policies leading to the highest national income. But that was talk, because he did not say what policies they would pursue, and I am saying to him—

Mr. Knowles: That is a secret.

Mr. Fleming: Free enterprise.

Mr. Hansell: The hon. member interjects "free enterprise". I am an admirer of the hon. gentleman, as I admire the hon. member for Vancouver East. He says: "We would follow policies of free enterprise." So has the present government. When he tells us that, he must say what policies he would pursue that would raise the income any higher than the policies pursued at the present time have raised it. Then he says: "There is no source of money other than production."

Mr. Fleming: I did not say "money"; I said, no other sources of wealth than production. There is a difference between money and wealth.

Mr. Hansell: I will not engage my hon. friend in that at the moment because I fancy he is tying himself up now. I do not want to take an advantage of that kind. Let me ask this question, and let the minister answer it. If the only place you can get money is out of production, let him answer this. The war was fought out of our national production and not out of our national income, because there had to be an expansion and the creation of $4 billion during the war, and yet the war was fought out of production, not income.

I am not arguing against the axiom that money must come out of production. I am saying that our interpretation of that phrase is different from those advanced by other parties. Furthermore, let me ask the minister this. If he believes what he said, let me take him back to the period of the thirties just as an illustration, and it is apt to happen again. It is beginning to happen now. Here are goods piled sky high on the shelves of our warehouses, on the shelves of our department stores, and rotting on the ground. That is high production. And here are the citizens standing by looking on with empty pockets and unemployed. Here they are on relief, unemployed, with no money, and there is the production. Let him tell me how he is going to get money out of that production. There is the production. Does the government get money out of it? No, they do not do that. They destroy the production. Does that bring them money? In the United States they dye their potatoes blue. Does that bring them money? These are the questions I am asking these hon. gentlemen who say the only source of money is production. Let them answer

that. If they cannot answer that, then they will never broaden the old age pension scheme and bring the security and contentment to our people that this wealthy productive country is able to give them.

Once again I am saying the only group in this house that can answer that question is the Social Credit group. There you have it. You have to tax or you have to get the money in some other way, shift the burden, contributory pensions. You have got to do it in that way or listen to us. It is either one thing or the other. You can turn a deaf ear to us if you want to. That is your responsibility.

Let me conclude by saying this. There is something about this resolution that I am disappointed in. I feel that there is a class of citizens that could very well be included in this resolution so that the committee without very much extra effort would try to investigate as to whether they could come under some sort of pension scheme. I refer to the incurables. There is a class of people that could not possibly come into any contributory pension scheme, because by reason of their physical condition they are not able to earn an income. I believe that that is one of our first responsibilities.

Without taking up any more time of the house I wish to move an amendment to the amendment that has already been moved. I move, seconded by the hon. member for Bow River (Mr. Johnston):

That the following words be added at the end of the first paragraph: "and to examine the possibility of granting pensions to incurables who are unable to earn a livelihood."

The Acting Speaker (Mr. Beaudoin): Perhaps I might refer hon. members to standing order 50. I would direct the attention of the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Macleod (Mr. Hansell) to that standing order, and would also suggest that they look up *Hansard* for May 17, 1929, page 2588, and also the *Journals* for 1945 at page 234.

Mr. David A. Croll (Spadina): Mr. Speaker, I am very pleased to see this resolution on the order paper. Before your comments, sir, I had thought that the subamendment offered by the hon. member for Macleod was one that had a good deal of merit, and which certainly would have received my support. I did gather from the amendment that there were by-elections in the offing, and that the hon. member had probably guessed that this was a good time for it.

The amendment would seem to indicate that, because from reading the resolution I gathered that it provided ample opportunity to discuss almost anything within its scope. In any event I am happy to see that now for the first time in twenty-five years we have an opportunity to deal with what I consider to be our foremost domestic problem, and one that has very great implications.

Here is an opportunity for a committee to make a comprehensive examination into the pension schemes in Canada today. Anyone who knows what we have by way of pensions in this country will surely agree with me when I say that our plans at the present time are not only unbalanced but overlap and, in some ways, compete. We have the federal and provincial old age plan, with the means test; we have the employer-initiated plans in this country; we have the union-negotiated plans. Along with that we have to some extent provincial supplements.

This resolution in my opinion gives us an opportunity to take stock, to see what we have done up until now, and to recommend what we ought to do in the future. As the minister pointed out, for twenty-three years we have been building a welfare state—and I emphasize the word "welfare". I conceive it to be the duty of a modern state to ensure the security and welfare of its citizens; and the desire for economic security in old age, in one form or another, is generally looked upon as one of the normal desires of enlightened human beings.

I am a believer in social security and I am a believer in the welfare state. I would remind hon. members, particularly those sitting on this side of the house, that we were the welfare-state party at the last election, and that the people endorsed us overwhelmingly. So I take this opportunity to do what I have wanted to do before, namely, to protest emphatically against statements made in this chamber or in the other place that by extending welfare by way of further social security we are making of Canadians a nation of leaners, that we are pampering them and coddling them, that we are making them soft and taking away from them their initiative.

I have heard that story twice in my generation. I remember hearing it in the thirties, when it was my responsibility from 1929 to 1939 to look after the welfare of people in Ontario, through the operations of various offices I held, particularly my provincial office. At that time it was my direct duty to look after their welfare—to feed them and to clothe them. I remember well that when we decided to increase the relief we were told we were making people soft. When we decided to make the allowances in cash rather than by chit we were told that

the recipients would spend the money and use it for things other than food.

I remember these stories; but I also remember that there was a war in 1939, and that our enemies never looked upon Canadians as soft. No one ever suggested that we did not have the proper initiative to become the arsenal of democracy. And so when I hear this talk once again in my own generation I know exactly how it should be treated—because I do not believe that social security makes bums out of people. I do not believe that unemployment insurance makes bums out of the unemployed.

Is there anyone in Canada who believes that we were better off before we had old age pensions, unemployment insurance or family allowances? Does anyone suggest that the social legislation of the last three administrations has been bad for Canada, or that we have not been able to afford it, or that it is beyond our means?

I said it was a natural desire for everyone to want a measure of security. Our own personal security is threatened when we are in want, when we suffer from ill health or when we reach old age and are unable to work. That condition breeds instability, anxiety and fear—and fear is a very contagious thing.

I conceive that this resolution gives the committee an opportunity to make recommendations in keeping with the times, so that we may arrive at a new era of long-term security for the individual, and so that no one need have any fear of spending his declining years in poverty or disability.

There are in our society two groups who need our help most at the present time; they are the young, and they are the old. We must provide for each of them according to their needs, and compatibly with our ability. But we must not prefer one to the other.

Let me remind the house that there is no reversal in the security trend in the world. If there is any lesson we can learn from the British election, it is that all the parties and the people endorsed the social security measures which, by the way, are one generation in advance of ours. Remember that.

I agree with the minister that we must wait for the dominion-provincial conference. There are problems which must be solved—financial problems and constitutional problems. But we can be heartened by the last meeting which was held early in January, and which indicated to all of us that there were around the council table men of good will who meant to come to an agreement, and who know that they must come to an agreement. Because we now have upon us not only the old and the near old, but we have the industrial workers, we have management, and we have finance, all of whom are more united than they have ever been in their lives. They are converging upon us wanting leadership and action with respect to pensions, because the shoe is beginning to pinch a little for the industrialist and the financier.

The committee has a job of great magnitude and of tremendous scope to perform. It need not be concerned with constitutional and economic problems. But the matter of pensions is one of the great human problems with which we have to deal. It is true that we require a knowledge of the plans of other countries—a knowledge of all plans, both private and public. I agree with the speakers who have said that the committee must produce a national over-all retirement plan. I believe that plan must compare in scope, purpose and effect with the Archambault report which was a landmark for thoroughness in its own field.

Most of the objections that have been raised today by the opposition have carried the suggestion that we are stalling, that we are playing for time. I say to the house that if that were true I would be the first to protest. This is too important a matter for us to be stalling on it. I believe it was the hon. member for Eglinton (Mr. Fleming) who said that we have plenty of information available. How much do we know about pension plans in Canada? I should like to refer to the dominion bureau of statistics, an organization which ought to know. In their reference papers issued in December, 1949, they say:

> There is little information available on the cost and the adequacy of protection provided by employees' pension plans in Canadian industries.

Evidently the dominion bureau of statistics does not know all the answers as to the various pension plans in the Dominion of Canada. I conceive that the committee will make recommendations to provide adequately for the old by way of a retirement pension which will at the same time be a basis for industrial pensions. Any recommendation will have to be tailored to our future needs in an expanding economy, and it must cover every person in the country no matter where he finds himself.

How many pension plans are there in Canada? I think the house will be interested to know that at the present time there are 464. Of those 64 per cent, or 293, were established during the war. I call that to your attention particularly because it is an important aspect. Sixty-four per cent of our present operative plans came into effect during the war. Perhaps you know the reason. During the war years wages could not be raised but pensions could be granted. Employers wanted to hold their employees. Possibly other people were

offering them more money, so employers provided for pensions. There was also such a thing as excess profits taxes and they were minimized by the provision of pensions. All the money they were paying out for pensions in the war years was deductible as it is now, except that at that time there was more of it. Therefore these pension plans grew. We have a responsibility with respect to them which I will point out later on.

Of these plans 455 were contributory and nine were non-contributory, and as to the 455 contributory plans all took advantage of the tax exemption which they were entitled to under the income tax law. I assure hon. members that the more thought you give to the pension problem the more complex and difficult it becomes. I confess that I do not know all the answers. I am not as fortunate as the hon. member for Macleod (Mr. Hansell) who seems to have many answers to the problem.

Mr. Blackmore: You have got a lot to learn from him yet.

Mr. Croll: There is one thing I do know. I know that the many-headed monster called the means test certainly must go as a result of any committee that we set up at this session of the house. I think it is far too late for anyone to attempt to bolster the means test by raising the question of permissive earnings or by saying that it is generous in many respects. It is more generous than some other plans, but it is just a question of which of two teeth that are hurting hurts more. Neither should be there.

I say to the minister that the means test has been discredited; its time has run out; but in any event people will not have any part of it any more. They have made up their minds on that point. I was very glad to see that the legislature of Manitoba passed a resolution on Tuesday of this week endorsing a contributory system and at the same time suggesting that the means test should be done away with. In the past our greatest opposition to doing away with the means test has come from industrialists and financiers, but there is a remarkable and rather interesting change. In the *Globe and Mail* of March 3 there is a report of a pension dispute in Windsor between the Ford Motor Company and the United Automobile Workers. They could not agree on the amount and the newspaper article says that they came down here to see the Minister of National Health and Welfare (Mr. Martin) in order to discuss the means test with him. There is one part of the article which is significant, and which reads:

> The delegation came here at the suggestion of the company, and were accompanied by Wallace Clark, personnel director of Ford Motor Company.

They are the people who want the means test removed, and they are just as emphatic about it as their workers. As a matter of fact, I have considerable information here that is rather enlightening. For instance, there is a report on the Bank of Nova Scotia monthly review in the Toronto *Telegram* of March 3, and in it are these words:

> It is widely felt that contributory schemes encourage self-respect, that the absence of a "means test" allows other forms of saving and removes the stigma of pauperism . . .

While I am on that subject I might as well let you have it all. May I refer now to an article in the Ottawa *Journal* of January 27 which reads in part:

> "A minimum needs" pension without a means test was suggested today by H. D. Burns, president of the Crown Life Insurance Company . . .

My object in reading these to you at this time is to indicate that those who are opposed to doing away with the means test are thinning out. The numbers in their ranks are becoming less and less, and now we find ourselves in the position where industrialists and financiers are advocating the taking away of the means test. Mind you, they may have a motive. I do not suggest that they have not a motive, but I am not concerned with their motives. I agree with them. Certainly it is going to be cheaper for them if we do away with the means test, but at the same time if we are serving the public what right have we to look for a motive? When you look around today it is difficult to find anyone who is in favour of the means test. The only answer you get is that we cannot afford it, that it is beyond our capacity. I was not here when old age pensions were first introduced, but I have read the record, and they said the same thing then. I certainly know they said it about family allowances, they have repeated it, and some of them are still repeating it despite the fact that family allowances are here, we require them, and we can afford them.

The usual thing that one hears is that we must have a contributory system. We say "contributory" quickly and glibly and it sounds very good; everybody seems to agree with you about it. But there is nothing magical about a contributory system. In the first place you have to consider how much a man can contribute. We say that a man should not spend more than 25 per cent of what he earns for housing and yet there are very few who can secure housing at that figure. We say that a man should not spend on food more than 25 per cent of what he earns, and yet there are very few who can purchase the food they need for that amount. We must not forget that we have to leave something in a man's envelope for him to take home. The word "contributory" means

so many things to so many of us. If we mean the insurance principle, then all he receives is what he pays for, and I assure you it will take him all of thirty years in order to buy himself a pension of $40 a month. If, on the other hand, we mean the public treasury, to which everyone contributes, then that is another matter entirely. In the common comparison that is made at the present time people say, "Well, let us have contributory retirement pensions in the same way that we have unemployment insurance." That is a great fallacy; people just do not understand the exact problem when they say that. That is one reason I think it important that we should take our time and discuss this problem so that people may learn and understand it.

It must not be forgotten that unemployment insurance was introduced about ten years ago. For the first nine months no money at all was paid out; it was just collected. Then for nine years it was all "put" and very little "take", with the result that the fund was built up to the extent of $600 million; and it was not until February of this year that expenses were even a little higher than receipts.

The problem is very different with respect to retirement pensions. Pensions have to start payment immediately. The old are here; the others are becoming older at the same time, and there is no ten-year period in which to build up a fund. We have to start paying immediately. The usual retiring age in this country is considered to be sixty-five, but the life expectancy of men is twelve years greater than that and of women fourteen years greater. Surely the increased longevity is something that should give us comfort and pleasure. It cannot possibly be a matter of either regret or neglect on our part. It seems to me a hideous mockery if we spend millions of dollars on science in order to make it possible for people to live longer, and cannot meet the challenge properly by providing for them decently.

I support a contributory system, but I have no delusion about it at all. I know its coverage is incomplete. I know that under the contributory system in Britain twenty per cent of the people are not covered, while in the United States forty per cent are not covered; and I know that the pension is very small. I know that in New Zealand after ten years of payment into the contributory pension fund a person is able to draw only $9 a month, while in the United States after fifteen years of payment a person draws only $26 a month. They need supplementary assistance, and they apply the means test. So if any of us are telling the people that if we add a contributory system to the system we have at the present time, with a means test, this will be the answer to our problem, we are wrong in telling them that, because that will not solve any problem for us at the present time. It may solve a problem thirty years from now, but not today; it is confusing and misleading, and if we are giving that impression we ought to stop doing so.

My feeling is that there is only one solution. I believe we must have a universal pension plan under which everyone is covered, farmer, self-employed, domestic; everyone must be covered, and there must be a guaranteed minimum at a fixed age. We should pay for it in the way we pay for other things, by a social security tax which ought to be imposed to the extent we can afford. Here is an opportunity for us to do some original thinking on this problem comparable to the thinking we did in connection with the family allowance. Our family allowance legislation was copied; we were praised for it everywhere. So far in connection with this problem we have been groping, and I think it is time we started thinking it through.

When we speak of a contributory system, that will look after the future of those who are working today; but what about the present? Are we doing for those aged people what we expect will be done for us? Are we not penalizing the older workers because we procrastinated and failed to introduce a contributory system many years ago? Why, the labour unions of this country have been pleading for a system of that kind for as long as I can remember. Now we have on the scene the new industrial pensions. They are no longer academic; they are really here. The unions are concentrating upon retirement pensions and disability and sickness benefits; and they have made progress in the United States in textiles, in automobiles, in rubber and in the mining industry.

An hon. Member: And in coal.

Mr. Croll: Yes; I thought the mining industry covered coal. I said we have some 464 plans in Canada covering textiles, pulp, mining and some other industries. At the present time we have before us the Ford plan which provides $55 a month, subject to a means test; but the unions are prepared to fight to a finish for their demand that the pensions be free of a means test. It may surprise hon. members to learn that management regards their request as very reasonable in principle, and supports it. I could read some statements by management which might surprise hon. members. Here we have the United States chamber of commerce appearing before a committee in Washington requesting that the minimum benefits paid to a family should be increased from $85 to $120. That is something new; but it shows how aware they have become of these problems.

The tendency has been for the labour contract in the Canadian branches to conform with that of the parent plant in the United States if the situation is the same in both countries. The joker is that the situation is not the same in both countries. Here lies a potential cause of great industrial strife, and that is one reason labour and industry are pressing so hard for a solution of this pension problem. In the United States they have a pension base. As I have indicated already, after contributing for fifteen years there is a pension base of $26, which in some instances may be somewhat increased. In the United States the worker has an opportunity to build on that pension. He may do so as a result of collective industrial agreements or from his personal savings. We have no such base in Canada, because we have the means test, which is the big stumbling block. I think the time has come when we in Canada should have a universal pension with a minimum guaranteed as a floor under poverty.

The hon. member for Macleod (Mr. Hansell) asked some questions, and I am going to ask this question. Here we have two men working in the same plant, receiving the same wages, having been employed for the same number of years. One scrimps and denies himself to buy an annuity which will pay him $40 a month at the age of seventy, and finally he gets that annuity. The other man saves nothing, but at the age of seventy he draws $40 a month in old age pension, and if he is lucky enough to live in British Columbia he gets $50. Should we not try to correct a situation like that? You may say there is something the matter with the man but I believe there is something the matter with a system which permits that sort of thing.

Let us look at some of the larger plants. I will agree that Ford, Chrysler, General Motors and Goodyear can pay pensions; but can the smaller plants employing fifteen, twenty, thirty or forty men pay pensions, and if they do, will their pensions be the same? In order to have harmony in this country are we not obligated to see that we have a plan upon which people can build? Have we not a responsibility, particularly where we grant tax exemptions, to see that pensions are paid every month and every year for life? The government should have something to say about those pension plans when they give tax exemptions. I can think of no greater catastrophe that might befall this country than if some of the pension plans could not pay off when they ought to. So the government must safeguard, it must certify, in the same way that it handles insurance companies at the present time. I have said that my own feeling in the matter was that we ought to have a universal pension, in the same way as we have family allowances. It has an advantage. You may think of some disadvantages. I know what crops up in your minds: can we afford it? I shall deal with that problem in a moment or two. A universal pension gives Canadians uniformity of treatment, and it averts formidable administrative problems.

This thought occurs to me. I know quite well that the industrial workers will get their pension, even if they have to hammer it out on the picket line. Everyone knows that. What will happen under those circumstances if the farmer, who also makes a contribution to the economy of the country, finds himself paying for the industrial worker's pension while, at the same time, not having one for himself? Are we not asking for trouble? I think the time has come when we must provide a basis that will permit all individuals, whether they are farmers or labourers, to build upon that base with their savings. The industrial worker could, at the same time, build upon it through his collective agreements. You must not forget that what goes to the industrial worker by way of a pension is deferred wages, and it must be non-contributory. Then the provinces may supplement the pension.

I welcome this committee, because I feel the country is looking for guidance, leadership and action. The usual objection to a universal pension is that it will cost money. Of course it will cost money. Are we not paying too big a price in this country in fear and insecurity? Must we not look at this as a great human problem, rather than as a financial problem? I feel certain that we can afford the $200 million or $250 million we were talking about. In addition to that, it seems to me that if I were living outside the province of Ontario, I should look at the redistribution of wealth such a scheme brings about. There is a levelling process going on, as there is with family allowances, and it is a levelling up.

I come from the province of Ontario, and we pay 45·5 per cent of the taxes in Canada. We collect in family allowances 29 per cent of the tax. Some 16 per cent, therefore, is levelled out through the other parts of Canada. The same thing would be true with respect to universal pensions. In Ontario we would only be receiving 24 per cent of any pensions that were paid, so there would be 21 per cent more of that money that would be distributed to the less fortunate parts of Canada. I have always believed that if I raised the standard of living of a man in Saskatoon I improved the job possibilities of a man in Spadina.

I feel that the true measure of our strength as a nation is not our military establishments

alone, but the vigour, health and spirit of the people themselves. That is what makes up the living tissue of Canadian democracy, and that is our greatest all-round defence, come what may. I realize that I have not been very specific about a universal pension. I believe, however, that if we endorse the principle, we will not have any difficulty in agreeing on the details. I agree with the statement by the member for Vancouver East (Mr. MacInnis), and what was repeated by the member for Eglinton (Mr. Fleming), that the money to be paid must come from the national product. The man who works must pay for the benefits going to the man who cannot work. Employers will charge their contribution to the cost of doing business; therefore in some instances consumers may have to pay higher prices—although from the appearance of profit sheets which are published now and then in our newspapers, I would not know why. In short, the man who has earned a loaf of bread must share a slice or two with his needy neighbour.

In all the history I have read, I have never read about a state that went broke by reason of underwriting a social minimum for its citizens. I have, however, read of states that disappeared because they did not do it. I believe, Mr. Speaker, that this motion, which gives us an opportunity to hold an open forum on pensions, which gives us the opportunity of having men, women and organizations come before us to present their views, will have an educational value in this country. People will more readily understand what our problem is, and perhaps will help us to reach a solution.

Last session we passed what I considered a very important amendment to the housing act. It is beginning to bear fruit for the people of Canada in the form of more and better houses. I believe that this parliament can write its name indelibly in the history of our country by bringing in a universal security measure which will make those homes secure for the people. I intend to support the motion.

Mr. J. H. Dickey (Halifax): Mr. Speaker, this is the first occasion on which I have had the pleasure of immediately following the hon. member for Spadina (Mr. Croll). I should like to congratulate him on a very fine speech which this house has enjoyed during the last few minutes. I agree with him, Mr. Speaker, in welcoming the motion to set up the proposed committee. The wording of the motion outlines the government's intention to hold a full examination of our old age pension system. The government is turning to the proper instrument of parliament in order to carry out that examination under our parliamentary system.

The subject of old age pensions is one which is being discussed a great deal these days, both in this house and throughout the country. It is quite apparent, I submit, Mr. Speaker, that the extent of the problems involved in expanding our old age pensions, as well as other social security measures, is not fully understood by some individuals in this house, or by many individuals throughout the country. Since the opening of this session we have heard members calling for increased pensions, the removal of the means test, and other changes in our present system. From this it would seem to be clear that we should at least take a searching look at the question of old age security in this country, and come to some conclusions upon it.

For example, the Prime Minister, in speaking at Vancouver on April 14, 1949, said:

> We are certainly not satisfied with our old age pension legislation, even though the scale of pensions is 50 per cent higher in dollars than it was before the war.

We have had old age pensions in this country, Mr. Speaker, for 23 years. It is still an interim program which has been improved and extended on five occasions in that 23 years. I agree to some extent with the hon. member for Eglinton (Mr. Fleming) who said this afternoon that in the past we had dealt with old age pensions in a not too well organized manner. The changes that have been made have been forward steps and as far as they went they have been productive of good to the social well-being of the people of this country. The government is proposing today to the hon. member for Eglinton and all hon. members of this house that we use a committee of parliament in order to look at the whole question, to see how we have progressed in the past, to see how we should move in the future in order that extensions of this program will not be open to criticism of having been adopted without full consideration of all the circumstances. For that reason I submit that much of the opposition expressed this afternoon by the hon. member to the setting up of a committee was illogical and not well taken.

There are four main points around which the discussion of the extension of our old age security program has revolved. These are:

1. The abolition of the means test.
2. The reduction of the age at which men and women shall become entitled to old age assistance.
3. The payment of pensions on a higher scale than at present.
4. The introduction of a contributory system of old age pensions.

In order to illustrate some of the important and complex problems which have to be considered in dealing with this question, I should like to discuss briefly each of the four points which I have mentioned and which have been referred to by previous speakers in this

debate to some extent or other. At the present time we are paying old age pensions on a means-test basis to persons over seventy years of age. There are approximately 625,000 people over the age of seventy years, and some 42 or 43 per cent or approximately 265,000 are receiving old age pensions of $40 per month, plus certain additions in various provinces, on a means-test basis. The pensions now being paid involve an expenditure of over $100 million on federal account, something over $33 million on provincial account, or a total of $133 million.

Suppose we consider putting into practice what the hon. member for Winnipeg North Centre (Mr. Knowles) referred to this afternoon as the first step in improving and extending our old age security program, that is, the abolition of the means test. By doing that one thing alone we would increase the annual cost of a $40 pension to all persons over seventy years of age to $300 million a year, or an additional $200 million.

The hon. member for Winnipeg North Centre pointed out that the speakers who had preceded him had not suggested any concrete step that should be taken with respect to abolishing the means test or anything else. He said that he was satisfied that the first step we should take was to abolish the means test. However, he did not go any further and explain just where he thought the additional $200 million that would be required to take that step was to come from. I am not saying that we will not have to find that money, but the point I want to make is that if the hon. member for Winnipeg North Centre or any other hon. member is going to come to grips with this problem he will have to say, not whether we should do thus and so but that we should do thus and so and the money will come from such and such a source.

The purpose of this committee is to study what we should do and how we are to provide the funds wherewith to do it. The hon. member cannot point the finger of scorn at any hon. member in this house for not making a concrete suggestion when he himself makes only half a concrete suggestion in saying, "Abolish the means test", but omitting to say anything about where the money is to come from. That is one consideration we have to keep in mind when we say, abolish the means test.

The second suggestion is the reduction of the age of eligibility for pension. Suppose that in addition to abolishing the means test we considered that the time has come when the age of eligibility should be reduced. One suggestion that has been made outside the house is that the age of eligibility for women should be reduced to sixty-five years while the age of eligibility for men should be kept at seventy years, with a $40 pension for all. To pay a $40 pension to all women who had reached the age of sixty-five years and to men who had reached the age of seventy years would cost $390,624,000 this year. If we were to lower the age of eligibility for both men and women to sixty-five years, the cost this year would be $491 million, or almost $500 million.

I point out these figures merely to show the problem that has to be met, not to say what should or should not be done or what we can afford or what we cannot afford. I simply point out that in advocating these changes we must come to grips with the problem of how they are to be paid for. Suppose it is decided that a pension of $40 is not sufficient. Many in this house have argued strenuously that this is an absolute minimum pension that has to be added to; that it cannot be left at that level. Suppose we decide that a minimum pension of $50 would meet the present requirements. For a pension of $50 at age sixty-five the bill this year would be $614 million, and by 1971 the pension bill on that basis would be $960 million, almost $1 billion. That shows the extent of the problem that we have to meet.

I have dealt with three of the points that I mentioned earlier. The last one, the introduction of a contributory system, has been dealt with more fully by some of the speakers who preceded me in this debate. However, I should like to point out that any system is a contributory system. The money comes from the production of the country and goes into the fund, either the general fund of government through taxation, or into a special fund from special taxes which are called contributions. Simply by saying that it is a contributory system does not change one iota the expense involved. It simply is a suggestion of methods of raising the money that is required.

The committee is being empowered to look into and to examine all these important complex questions. I say to the hon. member for Winnipeg North Centre (Mr. Knowles), with respect, that in my view the wording of the resolution is as wide as could possibly be expected within the limits of the English language; that the power that he wishes the committee to have, as expressed by his amendment, is there in the wording that has been used, and that we would simply, by adopting his amendment, be saying the same thing twice.

Mr. Knowles: Then it would not do any harm.

Mr. Dickey: It would do you a lot of good, though. I do not think it is necessary to adopt the amendment.

In addition to these questions that I have outlined there are other important problems that the committee will have to face. Because of the legislative authority of the provinces on property and civil rights there is involved in this question a constitutional problem which must be solved by agreement with the provinces. In passing I might point out, Mr. Speaker, that that is not always an easy problem to solve. The agreement with all the provinces to bring into effect the system that we now have took nine years from the time of the passage of this act in 1927. It was 1936 before the last two provinces came in and joined in that scheme. That is another problem that the committee is going to have to consider.

The committee is going to have to consider the opinions of many people who do not all agree. For instance, there is general agreement that something should be done about the means test. I agree with what the hon. member for Spadina (Mr. Croll) had to say in that respect; but there are many people who have expressed the opinion to me that the first thing to do is to make sure that we are providing for all the needy cases before we provide public funds to pay old age pensions to people who clearly do not need them, and that would be one result of removing the means test.

The hon. member for Macleod (Mr. Hansell) made a plea which has been expressed in this house before, namely, that attention be paid to the needs of the incurables. Many people in this country think that some action should be taken about that before we pay pensions on a no means test basis. Many people feel that other aspects of our social security program need attention before some of the problems arising out of old age pensions.

I should like to add something to what the hon. member for Spadina has said about industrial pensions and the view being taken by many people in industry in this country today about the means test. Many hon. members seem to think that, when they rise in their places and say, "we must do away with the means test", they are saying something that is unique and does not meet with general agreement. I think that today in this country it does meet with general agreement. Just over two months ago I heard the president of one of the greatest corporations in this country tell a meeting of a board of trade that he felt the means test was working a hardship on the employees of his company who had a company-financed retirement fund and retirement scheme, and that some consideration should be given to adjusting the means test to remove any unfairness to men in that category.

In conclusion, I should simply like to say that all hon. members who think that they have access to all the information which may have a bearing on this subject, or even those who think that all the information that is necessary to make a wise decision on this question is in the possession of some hon. members—all hon. members who think that they have the answers to these questions, and all hon. members who are satisfied that they can stand up and say to the people of this country, "I have a solution to this whole problem which is bound to be the right one, and which takes into consideration everything that should be considered"—should vote against this resolution and the committee because the committee is not necessary. To all those hon. members who, like myself and the hon. member for Spadina, feel that there is a great deal of information on this question that we have not been able to obtain, and have not been able to comprehend—who feel that they have not all the answers to these questions and that in order to carry out our responsibilities to the people of Canada we should see that all these questions are gone into with the greatest care and as fully as the powers of this parliament will permit—I say they agree with the hon. member for Spadina and myself and should vote for this motion and be glad to see this committee set up.

Mr. Brooks: Mr. Speaker—

Mr. Pouliot: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Temiscouata.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I do not wish to be unfair to the hon. member for Royal (Mr. Brooks), but when I sent a note I was the last one on the list. No one had sent word to Mr. Speaker that he was to speak before me. My name followed that of the junior member for Halifax (Mr. Dickey). However, I do not want to take the place of the hon. member for Royal, and if he wishes to proceed I shall be happy to take my seat.

Mr. Brooks: Go ahead.

Mr. Pouliot: Thank you, sir.

Mr. Speaker, this resolution contains in the first paragraph a summary of the whole social question. I congratulate the industrious and diligent Minister of National Health and Welfare (Mr. Martin) on having sponsored it today. It is timely for members of parliament to meet together and to discuss all these questions without partisan spirit, in an effort to come to the most satisfactory conclusions for all.

Old Age Security

As the junior member for Halifax has pointed out, we shall consider the whole matter objectively for the good of those who are to benefit from any enactment by parliament. At this stage I should like to congratulate all those who have spoken on this most important matter. May I remind the house that some personal friends of mine, the hon. member for Terrebonne (Mr. Bertrand), the hon. member for Compton-Frontenac (Mr. Blanchette) and the hon. member for Bellechasse (Mr. Picard), have taken a particular interest in the matter.

I agree that hon. members in the Progressive Conservative party, the C.C.F. group and the Social Credit group, and even my independent friend from Chicoutimi (Mr. Gagnon), are also interested in the matter. No one should contend that he is more interested in it than anybody else, because we are all interested and are trying to do our best for the people of Canada, especially those who suffer from disability and who are in an unfortunate condition that can be remedied at least partially.

Any member of parliament meets a large number of people. I am not boasting, but I state as a fact that when I am at home I see between fifty and sixty callers a day at my office. I do not practise law; my parliamentary duties do not leave me the leisure to practise my profession as I did before. I take a case occasionally, but I cannot follow the practice regularly.

My office is almost a drawing room or a reception room for those who come to see me and tell me about their troubles. And, sir, you will realize that when a poor man comes to you to disclose to you his intimate feelings and to tell you troubles he would confess to no one except a friend, you feel honoured by that confidence. This happens very often. Constituents will go to their member of parliament for the redress of their wrongs and to tell him their troubles.

This is the only way one can become informed as to the effect of legislation passed by parliament. People come to us in all confidence and speak openly, asking for something. That is legitimate. I do not complain about it; and so long as we keep our mandate to represent the people of Canada we have to do it. It is part of our job; I am not complaining, and the day I feel like complaining I shall resign with the feeling that I am no longer fit to be a member of parliament.

From the stories told to us of the intimate events of the lives of our constituents we can form a composite picture. Each member of parliament who listens to his constituents has in mind that same composite picture of the happiness and misery of certain sections of the Canadian people. Those with whom I sympathize most are the ones whom, in French, we describe as "les pauvres en habit noir", the poor who are just as well dressed as they can afford to be. They try to make the best of it. They are too proud to beg but, for the sake of appearances, they show up as best they can. No one should be insensible to the approach of these people who are so proud, but who will come to someone to tell them their handicaps and their disabilities. No one should fail to pay attention to what is said in order some day to be in a position to help them.

An hon. Member: Eleven o'clock.

Mr. Pouliot: One moment more. When I say this I feel sure I am expressing the feelings of my colleagues in the House of Commons who have been in similar positions—and I am sure all have been.

Therefore I consider this problem placed before us by the minister as one of the most important to be discussed by parliament. Light comes from discussion. While this is not the only important subject for our consideration, certainly it is important, and we must not take for granted that every request will be acceded to.

When the old age pension was granted with only one condition attached, namely that of age, I stated sincerely that a mistake had been made. I have repeated that to my constituents, and have received a good response to what I have said. In my view, age should not be the factor in granting a pension; rather, it should be need. There are men and women who have not reached the age of seventy but who are deserving of pensions. Proof of this is that pensions for the blind are given to younger people; parliament has agreed to that, the only objection being that the age was not low enough.

Before concluding I shall make only one further observation, following which I shall adjourn the debate. Pensions will be paid from taxes; but pensions to the disabled will be paid from taxes paid by people who are not so unfortunate and who, although disabled, are in a position to earn their living. The higher the pensions will be, the less will the taxpayers be in a position to pay for them.

I move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will resume the debate on the address in reply to the speech from the throne.

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

HOUSE OF COMMONS

Monday, March 13, 1950

The house met at three o'clock.

ALBERTA

REPORT AS TO THE APPEARANCE OF FIRST LIVE RAT

Mr. A. L. Smith (Calgary West): Mr. Speaker, over the week end I read in the newspapers that the first live rat had appeared in the province of Alberta. That is a fact—I am not joking about it, and we understand the menace. Strangely enough, it came from the east, and was found in the city of Edmonton. Since we have all received copies of the Edmonton newspapers concerning a certain route for a certain highway, I must say I thought the choice of this animal to blaze a trail through the wilderness was very peculiar.

VETERANS AFFAIRS

HOSPITALIZATION—WIDENING OF REGULATIONS

Hon. Milton F. Gregg (Minister of Veterans Affairs): Mr. Speaker, I desire to table copies in English and in French of a regulation made under the Department of Veterans Affairs Act by order in council P.C. 1266 of March 10, 1950.

This regulation permits this department to give hospitalization and treatment to veterans who are ineligible under present regulations, but who are covered as to hospital costs by private or provincial government insurance plans; or who, though not insured, have the means to pay for the treatment for which they may apply at D.V.A. hospitals.

The prime responsibility of the hospitals maintained by the Department of Veterans Affairs is to treat those who have pensionable disabilities, and such veterans will continue to have an absolute priority in rights to beds in our hospitals. Treatment under the new regulation will be given to paying veteran patients only to the extent that beds are not required for entitled veterans.

It is the intention to try out these new arrangements for the period of a year, during which their value will be assessed and the appropriate regular scale of rates for the various districts of Canada worked out.

For the immediate future the number of beds available for this purpose will not be great, so that no assurance is given that accommodation will be available for all who apply.

Fuller details on the plan will be available after March 31 next at D.V.A. district offices and through veterans organizations.

Mr. Green: Will this cover the men of the merchant navy?

Mr. Gregg: No.

Mr. Wright: Will the minister file the rates to be charged?

Mr. Gregg: It will be noted in my statement that the rates are now being worked out. Between now and the end of the month the head of our medical services will consult with all concerned in the districts, and the rates will be determined. The aim is to achieve a rate generally comparable with that charged by civilian hospitals in the various districts.

Mr. Pearkes: Will the minister say whether the charges made to veterans who have entitlement to hospitalization will now be adjusted to the provincial scheme in British Columbia? Will the veterans who are not able to pay the full amount of the hospitalization charges also be admitted, or will it be extended only to those who are able to pay the full charge made by the D.V.A. hospitals?

Mr. Gregg: As I indicated in my statement, many of the matters related to the question just asked are now being worked out. To answer the hon. member's second question first, under this regulation only those veterans will be accepted who pay the full amount which will be set for that particular hospital. As to his first question, an attempt is being made to work into the plan those benefits accruing in British Columbia and Saskatchewan under their provincial insurance plans.

WIDOWS OF NON-PENSIONED VETERANS

Mr. Stanley Knowles (Winnipeg North Centre): Has the Minister of Veterans Affairs received representations asking for certain improvements in the provisions under the War Veterans Allowance Act relating to widows of non-pensioned veterans? Will consideration be given to those representations before the bill is brought in amending the act?

Hon. Milton F. Gregg (Minister of Veterans Affairs): I have received the representations referred to, and it is not my intention at the moment to recommend to my colleagues that any amendments based upon those representations be brought forward at this time.

Inquiries of the Ministry

INCOME TAX

FARMERS—CHANGES IN METHOD OF COMPUTING DEPRECIATION

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, last week a number of questions were asked in reference to order in council P.C. 458, having to do with depreciation. The one of which I received notice was asked by the hon. member for Rosetown-Biggar (Mr. Coldwell), and was as follows, as reported at page 562 of *Hansard*:

In view of the fact that this order in council was made effective for 1949 taxation and may cause confusion among farmers who, in accordance with the law, filed their interim returns on December 31, will the minister consider delaying its coming into effect for this year?

That, together with other questions, prompted me to say that I would make a short statement on the matter, which I propose to do now.

Under the Income War Tax Act, which applied to 1948 and prior years, no depreciation was allowable except what the Minister of National Revenue, in his sole discretion, approved. The Income Tax Act, which applies to 1949 and subsequent years, provides that allowances in respect of capital costs will be as prescribed by regulation of the governor in council. If the regulation is suspended, the taxpayer will be deprived of his right to make any deduction for depreciation for 1949. It is for that reason I quoted the request for the suspension of the order in council.

Important changes were introduced in the 1949 budget, and, at the request of some members of parliament, the government agreed to amend the law so that certain provisions would not apply to farmers and fishermen. These were specifically the new method of computing depreciation, and the recapture provisions. As soon as possible after parliament approved the legislation, regulations were prepared, approved by the governor in council, and published. The rates applicable to farmers and fishermen are clearly set out therein. These rates have been made uniform with the rates available to all other taxpayers in Canada, having regard to the fact that farmers and fishermen are excluded from certain provisions of the law as mentioned above. For example, the fifteen per cent rate, allowed to farmers and fishermen on the straight-line basis on automotive equipment, results in an asset being depreciated by ninety per cent in six years. The thirty per cent rate, on the reducing-balance basis on automotive equipment, applicable to all taxpayers other than farmers and fishermen, results in an asset being depreciated by 88·24 per cent in six years.

[Mr. Gregg.]

The comparison, therefore, is rather in favour of the farmer, as I indicated when I was making my reply.

FREIGHT RATES

APPLICATION OF RAILWAYS FOR INCREASES—REQUEST FOR POSTPONEMENT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Transport, arising out of a Canadian Press dispatch on Saturday to the effect that the railway companies are applying for a further 3·4 per cent increase in freight rates. My question is, will the government consider postponing, under section 52 of the Railway Act, the coming into effect of the authorized eight per cent increase, or any other increase in freight rates, until after the royal commission on transportation has submitted its report, and until after the completion of the general freight rates inquiry by the board of transport commissioners?

Hon. Lionel Chevrier (Minister of Transport): I believe this question was asked in another form during this session by the leader of the hon. member's party. In any event my recollection of the meaning of section 52 is that the powers of the governor in council are judicial in nature. To my knowledge those powers have not been exercised since confederation, except on one occasion. I would not think that the circumstances are such today that the power should be exercised at this time.

WHEAT

INTERNATIONAL AGREEMENT—LONDON CONFERENCE—REALLOTMENT OF WORLD SUPPLY

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce in connection with the international conference on wheat that is opening in London today. Is he in a position to say what Canada's representations will be concerning the reallotment of the world wheat supply, and in particular what additional number of bushels Canada will receive under the new arrangement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The Canadian representatives at the conference have been instructed to favour the accession of Germany and Japan to the agreement. I might say that there is some opposition to their accession, but Canada is favouring it.

Assuming that both countries are admitted, an additional 100 million bushels a year wil[l]

be added to the agreement, a quantity which will permit Canada to have its allotment revised upward to the 230 million bushels that was originally thought to be our fair share of the world markets. That quantity is about as much as we safely can assume on a continuing basis. There are some details of the arrangements for this year, next year and the following year that I would prefer not to announce until they are announced in London. These arrangements were worked out by negotiation with the United States government, and, if adopted, they will be very satisfactory to those responsible for the marketing of Canada's wheat crop.

PUBLIC BUILDINGS

ALVIN BUILDING, VANCOUVER—QUESTION AS TO VALUATION

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Press dispatches appearing in Vancouver on Saturday indicate there is some possibility of the option to purchase the Alvin building being extended beyond the sixteenth of this month. It is also indicated that the Minister of Public Works is having the building valued by two local valuators. Can he tell us whether or not that statement is correct, and, if valuations are being made, by what firms?

Hon. Alphonse Fournier (Minister of Public Works): After listening to the hon. member the other night, I gave instructions to my department to have two Vancouver firms make a valuation of the Alvin building. The valuation work has proceeded, but I have not yet received a report. The firms retained for this work were McCarter and Nairne, architects, and the Northern Construction Company and J. W. Stewart Limited. If I continue to have valuations made, I may be obliged to pay more for the building.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Finance. Is the press report correct in stating that the budget will be brought down this month? If it is not correct, when will it be brought down?

Hon. Douglas Abbott (Minister of Finance): That is the usual careful speculation on the part of the press. I am not yet in a position to say when I shall be able to bring down the budget, but it will be as soon as possible.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, March 9, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, my colleague the Secretary of State for External Affairs (Mr. Pearson) when earlier he was making his first report on the Colombo conference intimated that I would take part in this debate. My remarks will be divided into four main sections: the first concerning the international labour organization convention which was held at Mysore; the second with reference to the commonwealth conference in Colombo; the third, a reference to our own position, economically, in those countries; and the fourth, my own observations or speculations as to what we might do.

I want to assure you, sir, that at this time I am speaking entirely on my own behalf. Before proceeding with what I wish particularly to say, I wish to pay the usual well-earned tributes to the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne, but I shall do it in a slightly different way. I think they have had an opportunity of becoming a little better known in the country as a whole. It is a great encouragement to us in this house to hear the younger men when they come in and make their maiden speeches. I think it is also a great encouragement to the people outside of this house to realize that there is a constant inflow of younger men who are capable, well-trained and prepared to fill vacancies as they occur in the ranks of the government of Canada. The fact that these young men have the urge, the spirit and the courage to go ahead with this career is, I think, one of the reasons why we should have so much confidence in our democratic system.

I should like also to say how grateful I am to the Prime Minister (Mr. St. Laurent) and to the Secretary of State for External Affairs for making it possible for Mrs. Mayhew and myself to take this extended trip, which has been interesting and beneficial to us. It is my hope, and I am sure it is that of Mrs. Mayhew, that the country will receive great benefit also, and in the same proportion; but I doubt whether that will be so.

I intend to speak about the meeting of the international labour organization, attendance at which was my chief mission while abroad, because I feel that the ILO is doing most

valuable work and should be supported. The ILO is one of the oldest and most successful of all international organizations. It was established after the first world war as an agency of the league of nations; and it is the only part of the league that survived the second world war. It has increased its membership and expanded its activities considerably during the past few years, a fact which affords ample proof of its vitality and the support it is receiving. There are now more than sixty member countries represented in this organization.

The purpose of the international labour organization is to promote social justice in all countries. It seeks to do this by improving industrial relations, raising living standards, and helping to bring about economic and social stability through legislative action and international agreement. It is a unique organization in that it is tripartite; its members represent governments, employers and workers. This I believe is the secret of its strength. The ILO delegates appreciate the view of others and try to bring about harmony out of diversity. The ILO meetings are unique also in that, so far at least, they have been fairly free of the ideological and political differences which have so hampered the work of the United Nations.

The governing body of the international labour organization meets four times a year. It was the 110th meeting of the governing body which I attended in Mysore, India, late in December and early in January. This was a significant and important meeting, because it was the first in the thirty years' history of the ILO that has been held in Asia. It signified the increasing interest which Europe and the Americas are showing in this part of the world, and it was a tribute to the new and independent nations which have come into being. By holding this meeting in India the ILO gave proof of its desire to fulfil its obligations to all regions and to live up to the principles of universality.

This meeting in India achieved the useful purpose of focusing attention on the many and difficult labour and social problems in Asia. It brought to light the urgent need of these countries for financial and—chiefly—technological assistance. It also revealed the serious consequences which might result were such aid not forthcoming. I think that all the delegates became acutely aware of the fact that they could not, in their own interest, ignore the many problems of Asia. Social and economic improvement and higher standards of living cannot be obtained for one-half of the world while the other half is left to struggle for existence.

During intervals between meetings and on week ends I had the opportunity of travelling by car some four hundred miles around southern India. Mysore itself is somewhat off the beaten track; hence what we saw there, though typical of country life in India, is not what will be found described in visitors' handbooks. We saw much that was beautiful, and we saw much of the potential wealth of that fascinating country.

Hon. members may be interested in the agenda of the governing body meeting; it will give an idea of the scope of the work of the organization. Perhaps I might then conclude this brief report by commenting on one or two of the more important items which were discussed.

I will not name all the items on the agenda, but only some in order to indicate the type of work they were doing: Proposals concerning fellowships; questions relating to freedom of association; report on action against unemployment; safety in coal mines; labour statistics; report of committee on salaried employees and professional workers; report of committee on recreation; report of committee on juvenile employment; report of officers of committee on social security experts; report of the technical assistance committee; proposed establishment of an Asian advisory committee.

These are some of the twenty-six items on the agenda of the session.

One of the more interesting proposals was that concerning fellowships. The governing body agreed to establish a fellowship scheme under which young men and women, chiefly from underdeveloped countries, could obtain practical training in countries technologically more advanced. This scheme would supplement a similar but larger fellowship scheme already in operation under the United Nations. By adopting this proposal the international labour organization recognized the need for technical assistance in backward countries.

Another important item on the agenda was social security. In the early years after the first world war the ILO drafted conventions and recommendations on standards of social security, and these became the models upon which many countries based their national legislation. Now the organization is planning to review these conventions and recommendations, to integrate them and make them more practicable in view of the advances that have been made in recent times. It has instructed a special committee of experts to revise these international instruments and set forth the objectives and minimum standards of an integrated, fully-rounded program.

The most difficult and contentious, and certainly the most important, subject discussed at the 110th session of the governing body

was the proposal that the ILO set up an international fact-finding and conciliation commission to investigate violation of trade union rights or freedom of association, alleged to exist in member countries. Canada, of course, supported the proposal, because nationally as well as internationally we are interested in maintaining union rights as well as union responsibilities.

The proposal approved by the governing body envisages the establishment of an international commission to investigate all bona fide charges alleging the violation of trade union rights. It would consist of nine members, all of whom would be respected and recognized authorities in labour matters. Complaints referred to them would first be examined by the governing body who would weed out all frivolous charges, and only legitimate grievances would be investigated by the commission.

As the request of the government concerned is required before action can be taken by the commission, it remains to be seen just how far Russia and her satellite countries will go in permitting investigation of conditions within their territories by an international body.

In concluding this report on the ILO meeting, I would like to say how much impressed I was by the manner in which this international labour organization operates. I am proud of the fact that Canada has been a member of it since its inception and is now rated as one of the eight nations of chief industrial importance. We have always had close ties with the ILO, having been host to its secretariat during the war. I hope that Canada will continue to participate as fully as possible in the work of this organization.

A detailed report has been forwarded to the Minister of Labour and is available for reference if anyone wishes any further information regarding it.

After the meeting of the international labour organization at Mysore, to which I have already referred as being somewhat off the beaten path, an opportunity was given to us of seeing some of the village life of India. We left our plane on the first part of our journey to Bangalore. It was some ninety miles into Mysore, and in that stretch of ninety miles we passed one Indian village after another. We spent ten days in Mysore, and drove back to Bangalore. There we took a plane to Madras and from Madras to Colombo. At Colombo we joined my colleague the Secretary of State for External Affairs at the conference of ministers of external affairs.

I was very much pleased to have the opportunity of attending this conference and of meeting men whom we read about but rarely have a chance to see. To me—and I am off the regular path now—the chief good of the conference was not so much the deliberations of the meetings as the discussions at the functions, by way of various entertainment, and so on, that were held there and in Mysore; the opportunity it gave to each of the delegates to sit beside his neighbour at luncheons and other gatherings and to have informal talks. You can depend upon it that the good will that was generated in this conference was well worth while.

I would not like to have the house or the country think that we were a group of peregrinating individuals going round the world on a magic carpet, with a special magic eye pointed down to the oases and comforts and hospitality, and that only in those places did we try to do a job. Whether it was a magic eye or not, our trip was well planned. We met nothing but friendliness and the most cordial hospitality. I hope that some of my words—at least some of the earnestness that I try to express—will go back to the countries that received us and gave us such a wonderful time and the opportunity of seeing and knowing them.

Mr. Harris (Danforth): While the minister is thinking about Colombo and the places at which he was entertained at different times, perhaps he will say a word of encouragement to the natives and the people of Colombo with regard to their standard of living as compared with our own, and indicate that the Canadian people would be ready to help them out.

Mr. Mayhew: I hope that nothing that I have said or will say will in any way be considered as disparaging of these people. Indeed it is the very opposite. I could readily be quite optimistic if I were asked to live in that country. They have every reason to be hopeful for the future, and I would be the last to bring back a message of despair about India, Pakistan, Ceylon or the other countries that we had a chance to visit.

We hear a good many people speak of the magnitude of the task connected with bringing a better standard of living to these splendid and hard-working people. They are as kind as any other people in the world, and they are anxious to do better. To hon. members who are interested I would recommend a reading of an article by Edwin Muller in the March issue of the *Reader's Digest,* entitled "A way to lessen world hunger". There you will get some idea as to what could be done without spending a vast amount of money.

It must be remembered that India and Ceylon, as well as all of south Asia, are not one-crop countries. They have no difficulty,

if they have water, in getting three, four, and in some places five crops a year. It must also be remembered that that part of the world is very backward in the matter of tools. In a sense they are the victims of the kind of thing that we are victims of in Canada; they are as much afraid of the modern tool displacing workers as we are afraid of immigration. Both will bring prosperity—in India, the advanced tool, and in Canada, immigration.

Anyone in the United States or Canada who would think of employing a tractor, a large combine or a heavy plow would have in mind something which is not known over there and which would not do the job. The agricultural areas are divided into plots of three, four or five acres. Plots of these sizes are about all one family could cultivate properly if it is to take off three or four crops in the year.

Perhaps I should tell the house, however, what we did see. In watering the land—and what I am about to say is more particularly true of Egypt—they dip the water with buckets which carry it to the top of the bank, at which point it is poured into a sluice to irrigate the land. A treadmill may be used to pump the water. Others use the ancient method of the Archimedean screw, the principle of which I am sure is familiar to all hon. members. In that process a man turns a crank and a small volume of water comes up. A farm pump, with which we are familiar in Canada, would probably irrigate twenty times as much land as the methods they are now using.

It will be seen from what I am saying that the problem is neither colossal nor spectacular. On the contrary it could be handled in a simple fashion. These people should be encouraged to see whether the modern equipment we have been using could be used to their advantage. These are new countries with a new lease on life and new leaders. They are driving ahead at a rate which commands the admiration of all and requires very little encouragement. As they make progress they will have more rubber, more tea, more coffee, more spices—more of all the things which are needed in this country and which will be available there in greater quantities when they really get going. I look forward with confidence to the possibilities of these countries reaching a high level of production in quick time.

I fear I am completely off the track so far as what I had intended to say is concerned. I shall not take up too much time in saying some of the things I had intended to say, and which are set out in my notes, in the careful preparation of which I received some help but which because of the shortage of time I cannot complete.

[Mr. Mayhew.]

One point I should like to make which, it seems to me, has been overlooked in the debate thus far. There seemed to be a feeling that all that took place at Colombo was a conference of foreign ministers, and that the discussions were all political. That, of course, is not so. Concurrently with those discussions were others concerning trade and commerce and finance. From Canada there were three representatives who attended and who worked continually while the other conference was in progress.

At the conclusion of the Colombo conference we left for Karachi, at which point we spent two days with the people in that capital city of Pakistan. We did not see much of Pakistan outside the capital, but I can say that in Karachi we saw in progress the building of a new capital which in a few years' time will be well worthy of that fine country. While there, however, we did have an opportunity to talk about trade with practically all the ministers. Perhaps in my conversations I was in a position to speak with greater freedom than was my colleague, and to take greater advantage of the time to speak about trade, not forgetting, of course, sales of fish.

I believe that in those conferences we had considerable success. I have before me some trade figures in which hon. members may be interested. They disclose that as to Ceylon, Pakistan and India, only Ceylon has a favourable balance of trade with Canada, and the amount is fairly substantial. In 1949 Canada exported to Ceylon approximately $2,159,000 worth of goods, the important commodities being milk products, railway ties and newsprint. In the same period we imported $11,635,000 worth of goods, of which tea accounted for $8,765,000 and rubber $1,593,000.

Our exports to Pakistan in 1949 amounted to approximately $18,097,000, in which was included over $2 million worth of commercial vehicles and more than $8 million worth of defence stores, plus another $1 million for ships and aircraft. During the same period we imported about $1,193,000 worth of goods, consisting mainly of jute and tea.

Canada's exports to India in 1949 were valued at approximately $72,551,000, of which $22,960,000 was for wheat and flour, and $27,125,000 for locomotives and parts. Other important commodities included newsprint, railway rails and track materials, commercial vehicles, railway cars, non-ferrous metals, fertilizers, aluminum and ships. Our imports in the same period amounted to $26,233,000 including $8,555,000 worth of tea, $10,528,000 worth of jute fabrics, $1,564,000 worth of nuts, and $1,270,000 worth of carpets.

Leaving India, we had a brief stay in Singapore. Here, despite political unrest in the northern part of the Malayan federation and

Indonesia which could affect the flow of rubber and tin, government officials and businessmen interviewed did not appear apprehensive, but on the contrary were optimistic.

In 1949 Canada exported to Singapore approximately $5,439,000 worth of goods, of which $1,741,000 was for milk products; $800,000 was for commercial vehicles and parts; over $400,000 was for wheat flour, and about $450,000 for newsprint. In the same period we imported goods valued in excess of $16,208,000 from the same area, the main items being rubber to a value of $10,139,000, and tin to a value of $4,834,000.

Our next stop was probably our most spectacular, to the extent that our plane, having been adroitly navigated, despite low-hanging clouds, through a mountain-studded approach to the airstrip, decided to blow two tires just after we touched down in Hong Kong. No two blowouts ever received as much attention as they did.

Here again we found a spirit of confidence and evidence of considerable current development. The dislocation in the trade with China is, however, making itself felt, and stores and warehouses are stacked with merchandise destined for China when trading facilities are restored.

Last year Canada exported to Hong Kong goods valued at approximately $10 million, including $3,438,000 worth of wheat flour, over $840,000 worth of fountain pens, and $490,000 worth of newsprint, plus quantities of fish, milk products and fertilizer. We imported from Hong Kong during the same period goods worth $2,989,000, including approximately $810,000 worth of tin, $230,000 worth of peanuts, and $185,000 worth of fireworks.

Our final trade talks were held in Tokyo with General MacArthur and members of his staff, and with Japanese ministers, officials and businessmen. External trade policy was placed in the hands of the Japanese authorities only as of the first of this year. Nevertheless we were satisfied that Japan was anxious to spend just as many dollars in Canada as we spent in that country, and that in any case there was no tendency to discriminate against Canada in favour of other hard currency countries.

In 1949 we exported to Japan goods valued at nearly $5,860,000, including $2,145,000 worth of pulp, some $818,000 worth of whisky, and quantities of beef, newsprint, nickel and sulphur. Our imports from Japan last year amounted to $5,551,000, including toys, approximately $950,000; textiles and products, approximately $1,350,000; oranges, approximately $493,000; and small quantities of porcelain, pottery and tea.

In my opinion a peace treaty should be negotiated with Japan at an early day. Until that is done and Japan is able to see her way through the clouds, I do not know exactly what is going to happen. She has lost her colonies; only 20 per cent of her land is arable; her population is increasing, and all she has to sell is what can be produced with her own hands. Neither we nor the United States are any too anxious to take in the products she makes, because we fear it will put our own people out of employment. We must take a realistic view of the position, but I do not think anyone can measure what will happen to Japan until after a peace treaty has been negotiated.

I hope I am not interfering with the affairs of the Minister of Trade and Commerce (Mr. Howe), but I do want to indicate one plan which may or may not have merit. I do not think any plan can be offered that would not entail a considerable amount of speculation and meet with great difficulties.

Our export position has been unique. Generally we have developed sufficient balances with overseas countries to pay for our dollar deficit with the United States. In the past this overseas trade has been regarded more as a financial operation than as a disposal of exports. Essentially this problem remains, although it has greatly changed its character in the past few years. Our dollar deficit with the United States is gradually contracting, and our industries have made many readjustments in the last four years to the new international trade position.

The fact remains, however, that these overseas markets remain essential for certain raw materials—wheat, flour, tobacco, fish, cheese, eggs and bacon, and certain manufactures, such as automotive goods, textiles, rubber, machinery, and chemicals. In relation to primary commodities, overseas restrictions will produce export surpluses for us; in relation to manufactured commodities, the market restrictions will show themselves in unemployment. The federal government will be pressed to take different kinds of action to meet these problems, but in effect the problems will be identical and similar in origin, and will best be met by action that expands our overseas business. Our need, therefore, is to find means of disposing of export surpluses to the non-dollar areas and of finding acceptable imports from these countries. It is clear that a solution cannot be found by attaching ourselves to the dollar or the sterling currency areas. The problem is not a financial one, but one of the exchange of commodities. So far as Canada goes, the problem is perhaps unique, and a unique solution has to be found. In short, Canada has to find a middle way.

Because of our previous rather elementary trade mechanism we lack many of the facilities necessary for meeting problems of this kind. We lack the knowledge to be found in many of the European brokerage and merchant houses, the shipping knowledge, etc. The sterling area has these facilities within it and uses them in handling the European and oriental trades. Because of this, our exporters lack direct contact with many markets that might want our goods and that might in return supply us with imports. Many countries may not be earning all the dollars they can in sales or in potential production. Individual Canadian firms that look for barter arrangements often find themselves faced with a sale of commodities in which they have no interest. Many of these difficulties may be overcome by extending the scope of barter arrangements for the particular commodities we have in surplus.

As the idea of the joint stock company developed originally to handle foreign trade in days when international financing was impossible, perhaps it can now be extended. Instead of using the concept only on a company basis, it might be extended to an inter-company basis. We might consider, therefore, the establishment of a national export-import corporation, beginning its use with countries that now take few Canadian goods. We should recognize that this may be more possible in Canada than in almost any other country, because so large a part of our trade now is concentrated in only a few firms. Likewise, large parts of the primary surpluses may soon be owned by government.

It seems possible, therefore, to work out in Canada a combination between the very large groups of manufacturers and wholesalers, to provide both the management and the finance to operate bilateral deals and to overcome the lack of facilities that faces any single corporation. The government, through the corps of trade commissioners, could furnish valuable assistance. Such a body could barter parcels of mixed Canadian merchandise for mixed imports from the non-dollar countries, and such merchandise could of course include capital equipment as well as foodstuffs or raw material.

This instrument might be used experimentally as an additional means of meeting the surplus-unemployment problems. If the subject is not approached in some such way, there is a danger that the various boards handling surpluses will operate independently on a give-away basis, and that the various local unemployment problems will also be tackled by relief, public works or other means that will alleviate but not remove the basic difficulty.

[Mr. Mayhew.]

This last part is purely my own, but it is the result of thinking while away and after coming home. We have to find some way out of this difficulty. If anyone knows of a better way, it is up to him to tell us. I assure the house that I am not speaking in any way for the government in offering this plan. I imagine it is new to the government.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, in rising to take part in this debate I want first to congratulate the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address in reply to the speech from the throne on the splendid job they did, considering the material that was placed at their disposal. I should like also to congratulate the hon. member for Grey-Bruce (Mr. Harris) on his appointment as minister of the new Department of Citizenship and Immigration.

In speaking at this time I am aware that much of what I have to say may be repetition, but I have no apology to offer in view of what was done last Wednesday by the right hon. Minister of Agriculture (Mr. Gardiner). It was bad enough to have to read the press report of the speech he made on May 28, 1949. To have to sit and listen to a repetition of it here was only adding insult to injury, and I am sure many farmers across this country will agree with that statement. What the minister hoped to prove is beyond my comprehension, unless it was to show—and I am sure it was not necessary to have further proof—that he is one of the smartest politicians, with a capital "P", that Canada has ever seen.

The low price program to which Canadian farmers submitted during the war years to my knowledge was without parallel anywhere in the world, and simple justice demands that their sacrifice be rewarded by the fulfilment of the government's pledge to provide a measure of stability in the post-war years, when economic readjustments might threaten to undermine farming. Here I should like to quote from a speech delivered by the former leader of the Liberal party, Mr. King, in a national broadcast on December 4, 1943:

> I wish tonight to thank the farmers of Canada for their magnificent contribution to the battle of production. I wish as well to appeal to them to continue to help hold the front line against inflation by continuing to support the price ceiling. If, to help win the war, the farmers are asked to accept a ceiling on prices, we believe they are entitled to a floor under prices to ensure them against an agricultural depression after the war. As an essential part of its post-war policy the government intends to ask parliament, at the next session, to place a floor under the prices of the main farm commodities.

In 1944, therefore, the Agricultural Prices Support Act was passed, with the unanimous approval of all members of the House of Commons. Section 9 (2) of that act reads:

in prescribing prices under paragraphs (a) and (c) of subsection one of this section, the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

As most hon. members will realize, this was the Progressive Conservative policy formulated under our previous leader, John Bracken, and forced upon this government by pressure from our party and from farm organizations across the country.

Mr. Speaker: Order. I do not know whether I correctly heard the hon. member a few moments ago, but did I understand him to say that the Minister of Agriculture, who I notice is not in his seat, was a smart politician, with a capital "P"?

Mr. Charlton: Yes, Mr. Speaker.

Mr. Speaker: I do not think the hon. member should use that expression, especially when the minister is not in his seat.

Mr. Charlton: Hon. members opposite applauded, and I thought I was paying the minister a compliment.

Mr. Speaker: I do not think the expression is permitted. I do not believe it is parliamentary to refer to an hon. member as a smart politician with a capital "P".

Mr. Charlton: Then I will delete the capital "P".

Mr. Speaker: I think the hon. gentleman should withdraw the expression, and I ask him to do so.

Mr. Charlton: Very well, Mr. Speaker. Last fall, however, the intention of the government was made clear in a resolution placed on the order paper by the Minister of Agriculture, as follows:

That it is expedient to bring in a measure to provide that section nine of the Agricultural Prices Support Act, 1944, shall continue in force for such period or periods as the governor in council may from time to time fix by proclamation, but shall expire upon the dissolution of the twenty-first parliament.

Since that is the only portion of the act that is workable as far as floor prices are concerned, I should say that resolution indicated the intention of this government to do away with that legislation.

By special efforts during the war Canadian farmers brought bacon exports up to a peak of 675 million pounds during the thirteen months ending December 31, 1943. By 1947 our exports had fallen to 225 million pounds, and in 1949 a contract for 160 million pounds was signed, with the quantity sent to Great Britain only a little more than half that amount. It was never expected that we could retain peak wartime bacon exports, but there was every reason to believe that a part of that market could and would be maintained. I want to quote the words of the Minister of Agriculture as they appear in *Hansard* for September 24, 1945, at pages 408 and 409:

. . . I wish to call attention to the contracts with Britain, because, after all, those contracts have established the floors right from the beginning of the war down to the present time.

And further:

If we in the dominion of Canada can produce 450 million pounds of bacon a year over and above what we require in this country, for the years that are ahead of us we shall just about be able to supply that part of the British market which we hope to retain after this war is over.

That we would retain a goodly portion of the United Kingdom market was one of the promises made by this government; but when the minister embarked upon his program of subsidy controls and other juggling tricks, many farmers, particularly western farmers, went out of hog production. By 1947 the minister explained to the House of Commons that the target amounts which were the incentive of Canadian production had been replaced in the negotiation of British food contracts by an estimate of the amount which Canadian farmers could supply. I well remember that on that occasion he took pains to explain that this did not represent a paring down by the United Kingdom government, but now he says it did. The truth is that as a result of his manipulation of feed grain subsidies Canada in subsequent years failed to fulfil the British bacon contracts, thereby encouraging and indeed forcing the United Kingdom to seek her bacon elsewhere.

With each downward revision of the contract our exports continued to fall below the stipulated quotas. The minister and his colleagues knew at least two years back, as he admitted in the House of Commons on December 10, 1949, that the United Kingdom would drastically reduce her imports from Canada; yet in the face of that fact the minister stubbornly maintained during the last election campaign that our British markets were not being reduced, but that they were quite normal. That is substantiated by Canadian Press reports of the minister's statements. I quote from a report dated June 23, 1949:

Agriculture minister Gardiner said tonight "There is no evidence" to support the contention of C.C.F. leader Coldwell that Canada is losing the British food market. Mr. Gardiner said, "The evidence is quite the opposite."

Then again on November 18, 1949, he is reported to have said:

"In any conversations I have had with Sir Stafford Cripps and food minister Strachey, I have never gathered the impression they were not prepared to take all the products they could afford to pay for from Canada," Mr. Gardiner said.

I had the privilege of listening to the minister in Brantford on December 5, when he reached the ultimate in double-talk and self-protection during his address to the board of trade farmers' night in that city. The minister's remarks seem fairly well explained in an editorial appearing in the Ottawa *Journal* of December 7. It reads as follows:

Our Minister of Agriculture makes a discovery.

In Brantford on Monday night our Minister of Agriculture, Mr. James Gardiner, told the board of trade there was "a very decided official effort" to drive wheat and other Canadian food products from the British market. Said he: "During the last two years a very decided official effort has been made to drive every one of these products (pork, cheese, beef, eggs, etc.) off the British market. And now that the four-year wheat contract is drawing to a close an effort is being made to drive off a considerable part of our wheat as well."

Sounds more, this, like Erle Stanley Gardner, the detective story writer, than James G. Gardiner, Canadian Minister of Agriculture. But as we must assume there is no case of mistaken identity on the part of the reporter, we feel constrained to ask: If this British official conspiracy against our food products has been going on for two years, how come that Mr. Gardiner just tells about it now? And telling it, not in the House of Commons, where it should have been told, and where Mr. Gardiner could be cross-examined, but to an audience in Brantford.

Not that we ourselves are at all startled by what Mr. Gardiner says. Ordinarily we should be inclined to say to him that at Brantford he said too much or too little, and to tell him that he should identify the British officials who allegedly work against us. What we feel, however, is that what Mr. Gardiner seemingly "revealed" in Brantford was not a revelation at all, but simply that he is now admitting something the British have been saying to us, and quite frankly, for more than a year—things which Mr. Gardiner, like the rest of us, knew all about, but which, because of promises he had made often to many, he stubbornly refused to admit. In other words, all that really has happened is that events have caught up with Mr. Gardiner, making a rubbish-heap of what he and some of his distinguished colleagues tried to tell us, for their own political good, before, during, and since the election.

One part of this very important speech has been missed in this editorial, and that was Mr. Gardiner's statement—very conveniently made, it would seem, in a city such as Brantford, which is one of the greatest implement manufacturing centres in Canada—that being a free trader himself, he would have to advise all farmers to buy where they could sell, in Canada. The only conclusion that could be arrived at from this statement is that the minister is now suggesting a policy of national self-sufficiency. This statement, from a minister of a government pledged to freer expansion of trade, would surely make strange reading to his western supporters.

A later confession of failure was made at the closing session of the tenth annual dominion-provincial agricultural conference held in Ottawa on December 14. I have here an article from the *Globe and Mail*, a Canadian Press dispatch dated December 15, 1949. The headline is, "Little bacon, no eggs: U.K. food pact collapses, still chance for cheese." The subheading reads as follows: "Gardiner says outlook dismal for agriculture: Hears price support plea."

The article reads:

Agriculture minister Gardiner today painted a dismal picture of 1950 Anglo-Canadian food contracts.

Of the 1949 contracts for bacon, cheese, eggs, salmon and apples, no contracts appear in sight except for cheese, and even that still is uncertain. Wheat is covered by a two-year agreement which expires next year.

The minister was finding it increasingly difficult to pull these United Kingdom contracts out of the hat just before Christmas. Yet, we have the statement made by the Prime Minister (Mr. St. Laurent) at Moncton on May 19, 1949, as reported in the Toronto *Daily Star*. The statement reads as follows:

The outlook today is far brighter than at the end of the war—wherever there are markets to be found for Canadian exports a Liberal government will find them.

Then we have the parliamentary assistant to the Minister of Agriculture trying his best, under difficult circumstances, to fly a trial balloon at the rural life conference held at the university of Western Ontario on December 28. I quote from a press dispatch appearing in the *Globe and Mail* on December 29, 1949, which reads as follows:

Farmers would be better without government aid is advice of McCubbin.

An early return to selling Canadian farm products by private enterprise rather than by government contracts was urged today by Robert McCubbin, M.P. for Middlesex West and parliamentary assistant to agriculture minister Gardiner.

"The sooner the dominion government gets out of handling the farmer's products the better the farmer will be in Canada," he told 100 farmers and junior farmers attending a three-day rural life conference at the university of Western Ontario.

"Government contracts were all right during the war, and for the first two or three post-war years, but I feel that now farmers should handle their own farm products," he said.

I remember quite well, Mr. Speaker, that two years after the war was over this party tried its best to persuade the government to get out of the field of business, and let the farmers' organizations handle the products for the producer. The parliamentary assistant's speech sounds very much like a good Conservative speech.

Mr. McCubbin: Oh, no.

Mr. Charlton: The article continues as follows:

"As a farmer, I wonder if farmers wish the government to keep bolstering their products with floor prices and subsidies."

I am sure, Mr. Speaker, that if the hon. member had attended as many protest meetings across the country as I did, he would

know the answer to that. It would be a definite "yes". The article continues as follows:

"When the beef contract with Great Britain was cancelled, Canadian farmers shipped to the natural market, the United States, and got a better price. It was the same with poultry. In 1948 a record amount of poultry was sent to the United States. And it was all sent without government help," said Mr. McCubbin.

Speaking on the future prospects of world markets for Canadian farmers, he said he felt "it is impossible to balance our trade with Great Britain. To ask 13 million people to balance trade with 50 million is impossible—it never will be possible. We can never buy as much as we can sell to Great Britain."

Just here, Mr. Speaker, I should like to quote a few of the trade figures with Great Britain and the United States. I might say that during the last four years we have had a lesser plus trade balance with the United Kingdom than we have had a minus balance with the United States. I do want to quote those figures, and commencing with 1946, the unfavourable balance of trade with the United States was $496·7 million; 1947, $918·1 million; 1948, $283·6 million, and 1949, $427·8 million. The favourable trade balance for those same four years with the United Kingdom was: 1946, $397·4 million; 1947, $564·3 million; 1948, $389·2 million, and 1949, $401·8 million. It will be realized that practically every one of those figures shows a greater minus for the United States than a plus for Great Britain. If we cannot be expected to balance our trade with Great Britain, which only has 40 or 50 million people, how can we balance our trade with the United States with 150 million people?

The article from which I was quoting continues as follows:

Apart from the disparity in population there was a second big reason why Canadians would never balance trade with Great Britain, he said. "We are Americans, and whether we like it or not we are going to stay close to the States, and we are going to buy the majority of our goods from the States. We're a dollar country and we'll stay that way. Even if it means paying a little more for our goods we'll still buy from the States."

He said he felt that some solution to world trade problems might be found if "some method of common currency" could be brought into being to do away with exchange rates.

There had been a lot said about Britain's decision not to renew her egg contracts and her reduction of bacon contracts, "but you must remember the British have not changed in the last 500 years. They are still shrewd traders and are going to buy where they can buy the cheapest."

I might say, Mr. Speaker, that that is not much of a compliment to the people of Canada, to say that the British are smart traders and will buy where they can buy the cheapest; but he tells us that we are going to pay more for our products from the United States, whether we like it or not. He then goes on to say:

"Unless we can give them as cheap an egg as other people they will buy from other countries. And the same applies to bacon. If we can produce bacon at a price comparable with other countries, then Britain wants our bacon."

He suggested farm organizations could very well start formulating plans to lower food production costs to meet world and especially western European competition on the European markets.

Is it the parliamentary assistant's suggestion, Mr. Speaker, that the farmers should be singled out as the only group to lower production costs? We realize that we are pricing ourselves out of the European markets; but the same could be said of practically every other industry in this country.

I should be glad if the parliamentary assistant could tell us how to reduce our costs without becoming miners of the soil; and that situation, as I am sure all will agree, is a dangerous one. Farmers are not complaining so much about price reductions as they are about the fact that they alone of all producers are expected to take less income at the present time. If the prices of manufactured articles and services were falling, it is conceivable that the farmers' attitude might be different. But at the present time there appears little prospect of that; the tendency appears to be in the other direction.

As the result of new contract prices and their effect on all domestic prices, farmers face an income drop of between $200 million and $250 million this year from their average of the past two years.

Some serious consideration was given to this rapidly-descending deflated trial balloon put up by the parliamentary assistant. The minister discovered that it was not going to be so easy to throw his worn-out market basket back to the producers when surpluses began to appear and prices began to degenerate. It is the age-old squeeze to which the farmers are expected to submit, but national economics in these modern times are more delicately balanced than they were when the unorganized producers of foodstuffs were merely hewers of wood and drawers of water. Agriculture is an industry now, not only a way of life; and it provides a tremendous market for the goods of our mills and factories. Agriculture, however, provides that market only when it has buying power. By increasing the cost of operation and lessening the income, rural people will be forced to buy less and their plight will soon be reflected in bank clearings, sales and monthly employment figures.

This fact became increasingly evident to farmers, industry and government as unemployment increased rather sharply to levels

near the peak of the thirties. Something had to be done, but how, and when? Criticism was piling up and protest meetings were being held. Finally, contracts were signed with the United Kingdom for bacon and cheese at greatly reduced prices. In the case of bacon the contract was for 60 million pounds of Wiltshire sides at 29 cents a pound, with a government subsidy of $3.50 a hundredweight; and the contract was for 75 million to 85 million pounds of cheese at 25 cents a pound, f.o.b. Montreal, with a government subsidy of 3 cents a pound.

Our Canadian Cheddar cheese is the best in the world. It constitutes one of the best markets for our surplus milk production. The United Kingdom could and would take more of our cheese; but as I have stated previously in this house, we must modernize our packaging and marketing methods if we hope to hold this market. It is my belief that we should establish a processing and packaging plant in the United Kingdom. When 90-pound Cheddars arrive there, they could be regraded, cut, and packaged as the demand required, and the trimmings could be processed into soft cheese. Certainly we cannot expect to sell our cheese by the same methods we used fifty years ago, against competition from packaged cheese of New Zealand and Australia. It is a question of going out and doing a selling job. It can be done.

The minister states that there is a little surplus of cheese. The total as of March 1, 1950, was 38,613,000 pounds as against 27,873,000 pounds at the same date in 1949, showing an increase of nearly 11 million pounds. What about the 17 million pounds held over by the government from last year? Is it still good or will it have to be sold to processors?

It was not, however, until January 26 that any announcement was made by this government regarding the floor price on eggs. For over a month and a half this government allowed poultry producers to flounder hopelessly. As a consequence whole flocks were liquidated at bargain prices. Ungraded eggs were sold for as little as 16 cents a dozen. The damage has been done, and unless hatchery sales increase considerably in the next two months, consumers will pay dearly for their eggs this fall because of another government blunder. The floor price of 38 cents to dealers, plus at least 4 cents for storage, is no guarantee to the producers. It is only the more efficient who can survive at that figure. Hence the low hatchery orders. In January, for instance, hatchery orders were only 25 per cent of orders in January, 1949. There is little increase in the orders for February. In order to avoid wide fluctuations in production, the floor price should have been set as nearly as possible to the average cost of production. In this way only the inefficient producer is forced to liquidate his flock, and violent price changes are avoided. This is one contract that was definitely lost, whether the minister admits it or not.

On January 26, while speaking at the convention of the dairy farmers of Canada which I had the privilege of attending, the Minister of Agriculture (Mr. Gardiner) tried to justify a 10 million to 20 million pound surplus of butter this spring when the new production season begins. Again last Wednesday he tried to dispel any fears of a little butter surplus and twitted the opposition that it was no more than we had asked for a couple of years ago. I believe the minister realizes all too well that the situation with regard to butter has changed somewhat in the past year. The minister or his government did not have the courage to deal with the margarine issue but passed the buck to the supreme court and from there to the provinces. Now that margarine is on the market, the danger is not a scarcity of butter as it was previously, but a surplus as exists today.

Appearing in the Ottawa *Journal* of March 3 of this year is an article headed "Six cent slash coming", which reads in part as follows:

> Dairy farmers are expected to submit to the government that they should have greater protection against the inroads of margarine. They set forth that in no other dominion is so little assistance given dairymen in saving their industry from the inroads of vegetable oil products.
>
> They submit that their income in 1949, even with the price support program, showed a decline of 12 per cent in the six months ending in September, and if this was spread over a year the loss to Canadian dairy farmers would total $46 million. With a reduced butter price the loss would be even greater.

Then a little further on:

> The increasing competition offered by cheaper margarine was indicated by January figures showing its consumption in that month totalled 8,152,000 pounds compared with 19,400,000 pounds of creamery butter disappearance.
>
> On February 1, total stocks were reported at 46,500,000 pounds including the 30,000,000 bought by the government under the price support program. This was 12,000,000 pounds more than the previous record for this date and 27,500,000 more than for the same date last year.

Then again, there was a Canadian Press report in the London *Free Press* of March 10, headed "Production of margarine exceeds creamery butter", which reads in part as follows:

> For the first month in history, the production of margarine has exceeded the output of creamery butter.
>
> It happened in February, when butter production in Canada is always at its lowest point for seasonal

reasons. During that month, production of margarine totalled 8,646,000 pounds compared with creamery butter output of 8,494,000 pounds.

On Thursday, March 9, the minister gave a report to the house on the butter situation. I quote from *Hansard* at page 585:

For the benefit of hon. members I wish to state that the last ten-year average storage of butter, as of March 1, was, in round figures, 19 million pounds. The highest storages as of that date were 23 million pounds in 1940 and 24 million in 1947. The storage as of March 1, 1950, is 36 million. Of this amount the government had 25 million pounds.

According to the figures I received from the department the total is a little larger than that, but the difference is not too great, only 578,000 pounds. As a matter of fact that would be considered nothing by this government.

Incidentally I might mention a few other little surpluses which the minister seems to have pushed aside as unimportant. As of January 1, 1950, there were 10 million pounds of honey on hand—a million more than at the same date last year. As far as white beans are concerned, I am sure the parliamentary assistant to the Minister of Agriculture has heard about the estimated figure of 200,000 bushels above our domestic requirements. The minister might also use the word "little" to describe our potato surplus. Total holdings are only 432,020 tons as of March 1 of this year, the largest amount ever known in this country at this time of year. Translated into bushels it is 17,280,800. It is also interesting to note that to date this year we have exported a total of 3,298,112 bushels of table stock, while the total for last year was only 3,444,965.

The total hold-over at this time this year is 82,625 tons more than last year. These figures are taken from the dominion Department of Agriculture, fruit, vegetable and honey crop market report, No. 49. The figures for this year are 432,020 tons, while the figures for last year were 349,395 tons. That is the total for all Canada. This difference of 82,625 tons amounts to 3,305,000 bushels.

With regard to apples, there is also a little surplus in the country. Let us start with the maritimes. These are cold storage and common storage figures. In 1949 there were 9,111 bushels in cold storage. This year there are 210,165 bushels in cold storage. No doubt if there is a by-election down there shortly they will all be disposed of before that time. I shall not mention all these figures. In Quebec this year there are fewer apples in storage than there were last year. In eastern Ontario there are a great many more than there were last year. In western Ontario there were 229,951 bushels in storage last year; this year there are 258,783 bushels in cold storage. I remind the house that these are cold storage figures, and do not include common storage. There are many more in common storage as well. The total for all Canada as of March 1, 1950, was 2,332,663 bushels, as against 1,181,308 bushels at the same date last year. The difference is over a million bushels.

The Minister of Agriculture has bungled the agricultural policy of this country. He has laboured to create a condition in which it is most difficult for us to do business with our best customer, and an atmosphere of uneasy mistrust exists between Canada and the United Kingdom. He condemns Canadian farmers to their fate with only a vestige of former markets abroad left to them and no substitutes in sight.

This government has depended too much on ECA funds from the United States supplying the dollars for our United Kingdom markets—a fund which is diminishing rapidly for our use in view of large surpluses in the United States.

The farmers of Canada have paid the premium—a very dear one of over one billion dollars—on a policy of price stability handed to them by this government and accepted. Paid for in advance they now expect that policy to be honoured, not thrown back at them without even a return of premiums paid.

Not all Liberal campaign advertising followed through with what their leaders were saying. I have here an advertisement which appeared in the *Prairie Examiner* under date of June 13, 1949, in which it seems they were very frank in what they intended to do. Referring to their past policies they said this:

How successfully it tackled that job is charted above. Never have Canada's farm families been so prosperous, so secure. Never have they enjoyed so large a share of the nation's income.

But in referring to the future they say:

Floors under farm prices to assure farmers a minimum guaranteed return; the Prairie Farm Assistance Act to protect grain growers against the hazards of crop failure; long-range programs of conservation.

And so on. Then they say:

These and many other constructive steps reflect the Liberal policy "not only to provide farmers with a minimum of stability and security but also to help them to achieve an ever-increasing prosperity."

This advertisement was inserted by the national Liberal committee.

Mr. Fulton: An official pronouncement.

Mr. Charlton: I have consulted several dictionaries and there seems to be no difference of opinion as to the exact meaning of the word "minimum". They all agree that it is the least or smallest possible proportion.

From all indications thus far, Mr. Speaker, that Liberal election advertisement may prove to contain the truest words ever spoken or printed.

As stated by the parliamentary assistant to the Minister of Agriculture, the trend is toward the United States and depreciating the value of the United Kingdom market. I would point out to the government that the United States is a very unstable market for most of our agricultural products. They are a competitor nation, and while we may sell certain products there we are never sure that quotas or restrictions will not be placed on them as surpluses appear on their markets.

We have always had an unfavourable trade balance with the United States and a favourable balance with the United Kingdom, as figures I gave previously clearly indicate. It would seem that there are many articles now purchased in the United States that we could buy from the United Kingdom and thereby strengthen our own position with regard to the sale of our agricultural products. This would not endanger our own industries but simply transfer purchases from the United States to the United Kingdom.

I would therefore urge this government to arrange a trade conference with the empire countries and try to work out some solution to this very pressing problem. We must keep at least one foot in the United Kingdom market.

I would also urge the government to continue a support policy until adequate marketing legislation can be put into operation by producer organizations.

During his speech last Wednesday, the Minister of Agriculture jokingly referred to the fact that he had taken time to go out to a provincial by-election in his home province of Saskatchewan and had won that election. I should think, with the tremendous majority this government have, they would abandon the arrogant indispensable attitude they have adopted and that the hon. minister, having adopted the word "little" to describe our surpluses, could quite well forget a little politics and get down to a little business.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to begin my short address with the usual congratulations to the mover (Mr. Larson) and seconder (Mr. Dumas) of the address in reply to the speech from the throne. In this connection, Mr. Speaker, I might say that the people of Saskatchewan are very much honoured in the choice of the mover of the address in the person of the hon. member for Kindersley.

No doubt farmers from the west will be surprised to read in *Hansard* the speeches delivered by the hon. member for Melfort (Mr. Wright) and the hon. member for Assiniboia (Mr. Argue) in which they protest against the twenty-cent interim payment on grain which was made last spring. Both hon. members suggested it should not have been made, and one said it should have been only ten cents or less. This is a strange attitude for hon. members representing agricultural constituencies. I know that in the southern part of my constituency, where we had three years of crop failure, this twenty-cent payment was an absolute necessity. They pointed out that the government had to borrow money. Naturally it had to; any farmer would be well aware of that situation, because he cannot have grain in his granary and money in the bank at the same time. Until the wheat is disposed of the money would not be available to make payments.

It was also pointed out that the interest charge in connection with this borrowing would be charged against the farmer. That may be so; but they would have had to go to the bank to borrow it, in any case, and perhaps would not have had as easy a time as the government did. The farmers may have had to borrow the whole amount whereas the government had to borrow only a small portion because it was selling grain from time to time. If the constituents of those hon. members are like mine, then they will have some difficulty in explaining the attitude they have taken in the house.

It was also suggested by the hon. member for Assiniboia that if the farmers had known in June of last year what they know now they would not have voted as they did. I went through my riding during the Christmas season, when they knew considerably more than they did at the time of the election, and I believe that there were more Liberals at Christmas than there were on June 27. Perhaps that is not because of any action I have taken, or that has been taken by any member of the government; possibly it is more due to the action of the C.C.F. government in Saskatchewan.

I do not wish to be unduly hard on hon. members across the floor, because I do not think they subscribe to much of the action taken by the Saskatchewan government. Certainly their attitude in the House of Commons is usually just the opposite to that of the Saskatchewan legislature, as indicated by the action it takes.

The further criticism is made that the twenty-cent payment was made available so as to influence the farmers at the time of the election in June. We realize of course that the system followed by the C.C.F. to exert

influence at election time is somewhat different; but let us not forget that they have ways of influencing the voters.

Mention has been made of the election in The Battlefords, and I do not intend to discuss it in detail. Perhaps I might point out however that the first action taken by the C.C.F. candidate in that campaign was to go on the radio and make the statement that if he won the seat he would spend $200,000 in it. Of course that was done to influence the voters. Then, if we want to go back as far as 1944, we know that many things were said by members of the C.C.F. party to influence the voters.

I well remember that the leader of the C.C.F. spoke in our hall at Medstead, where I live. I went to hear him and I must say he made an excellent speech. Referring to the education tax that had been imposed in years of depression by the Patterson government, a tax which had been imposed for educational purposes in those difficult times, he described it as being very bad and said that it was inequitable. Indeed he went on to say that the tax was most iniquitous, and that they were going to take it off.

If it was iniquitous at that time surely it must be more so now. We have just read of the announcement of the Saskatchewan budget, and we find that in that budget the education tax has been increased from two per cent to three per cent. If it was iniquitous in 1944, then the iniquity is now fifty per cent greater.

I do not know whether hon. members have looked over the new Saskatchewan budget, but if they did they would see at once that it runs contrary to the attitude taken by C.C.F. members in this house. They tell us here that we are facing hard times, that we are likely to have a depression, and so on. They always take the stand that things are going to be tough. If that is so, one would expect them to have those thoughts in the back of their minds in Saskatchewan.

Delivering his budget in Saskatchewan it would seem that Mr. Fines said something to that effect. A report in the Regina *Leader-Post*, referring to Mr. Fines' budget, states this:

> "In my opinion," said Mr. Fines, "we have now passed the peak and from now on revenues will decline. I do not anticipate any sudden fall during the next six months but rather a steady gradual decline. What will happen after that time will depend on crop conditions and ability to dispose of our agricultural products at reasonable prices."

In the face of that statement one would expect that he would take some heed of the future. Instead of that however the budget is expanded, showing an increase of some $6 million, from $49 million last year to $55 million this year. Then, if one considers grants from the federal government, compulsory insurance on automobiles and hospital taxes, all of which must be classed as taxes, it is clear that the legislature this year is going to spend in that province about $69 million.

The attitude of the C.C.F. party in Manitoba, where the government is about to spend $39 million, is to the effect that this amount is out of all proportion, and that it is far too high. Yet, in Saskatchewan, with a C.C.F. government, they propose to spend $69 million.

Bearing these thoughts in mind, one finds it hard to reconcile the budget with what the provincial minister of finance says in his budget speech. It is hard to reconcile that budget speech with some of the speeches made by members of the C.C.F. in the House of Commons, wherein they point out that we must expect at least a recession. In brief, this means a contribution of about $80 for each man, woman and child in Saskatchewan, or a total of $400 for the average family of five. It is possible that if we do not continue to have favourable crops such as we have had in the last few years, when they have been fairly good, we will be pricing ourselves out of the land picture. If the tax is not paid the land will be taken over, rather than leave it in the possession of the people who now own it. The net debt as shown by the Saskatchewan budget has been increased by about $3 million, and the new education tax of three per cent will provide an additional income to the province of between $3 million and $4 million.

Some hon. members heard the discussion which took place the other evening following the speech of the Minister of National Health and Welfare (Mr. Martin) in which he pointed out that the means test was imposed in Saskatchewan on the $2.50 supplementary payment basis. I well remember during the campaign of 1944 seeing placards in my constituency displaying the legends "Humanity first" and "People before profits." These were distributed in considerable quantity. One would wonder at a government supporting those slogans imposing a means test of the kind indicated—and then going out and saying that the means test should be removed.

I, too, believe that that should be done; but certainly they are in a position to do it when it is imposed on only $2.50. Some hon. members may not be aware of this fact, that the share of pensions borne by the Saskatchewan legislature is no more now than it was in 1927, when the scheme was first established. At the same time the income of that government has been trebled. Other provinces, such as British Columbia, have been paying $50 or over. That is what they

believe in and that is what they fought for in this house. Naturally you would think that they would do that in Saskatchewan.

Mr. Knowles: Tell us what Ontario and Manitoba pay?

Mr. Harrison: They pay something less, but they did not get up in this house in 1944 and say that we should pay a pension of $50. That is a point I want to make, that your actions are entirely different from what you say.

An hon. Member: Double-talk.

Mr. Knowles: Will the hon. member permit a question? Is he aware that within the last few minutes he has criticized the Saskatchewan government for spending too much money and now he asks them to spend more money? Which way does he want it?

Mr. Harrison: That is a good question. You have $69 million. I can easily tell you how to do it. In the 1944 campaign your leader criticized the then government for having too many employees. The hon. member for Rosetown-Biggar (Mr. Coldwell), when attacking the education tax, said that he would fire 600 of those people. You now have about 1,600, more than they had then.

I want to say an odd word or two about my own riding.

Mr. Knowles: Odd is right.

Mr. Harrison: I want to refer to some of the things required in that part of the country. The Prairie Farm Rehabilitation Act has proved to be most desirable. Considerable dairying is carried on in my constituency, especially in the southern end, but we are precluded from the benefits of this act because we are outside the Pre-Cambrian shield. The water table in this part of my riding has dropped 25 feet in the last 20 or 25 years and this is causing considerable concern to those engaged in the dairying business. They are faced with the possibility of having to reduce their herds at a time when they should not have to do so. When this matter is up for consideration I shall urge that this act apply not only to territories like my own riding but to the maritimes and other parts of the country. We should get rid of the "prairie" in the title of the act and consider it as a rehabilitation scheme for the whole country.

The hon. member for The Battlefords (Mr. Bater) referred to the curtailment of train service and urged the use of our own coal and oil, particularly by the Canadian National Railways. Some action should be taken to see that our own coal is used, possibly exclusively, even though it meant the payment of additional subsidies. If more of our coal and oil were used it would mean the saving of United States dollars and our own industries would be helped.

I noticed a newspaper article the other day stating that the Canadian National had converted 200 locomotives in the Alberta area to oil. That is a step in the right direction. The Lloydminster field, which is just to the south of my riding, would benefit greatly from such a move. The Saskatoon *Star-Phoenix* of March 9 states that the Lloydminster field is now in full production. Last year it produced 123,000 barrels and they say that they can double that production quite easily if a market is available. I repeat that consideration should be given to using our own oil and coal on our national railroad.

Many people back home will expect me to say something about the Hudson Bay railway. However, there is a resolution on this matter standing on the order paper in my name and I shall discuss this at greater length at that time. I want to thank the Minister of Public Works (Mr. Fournier) for the excellent building that has been erected at St. Walburg to be used as a post office and barracks for the Royal Canadian Mounted Police.

As hon. members may know, Meadow Lake constituency is in the northwest corner of Saskatchewan and it still leads the field in many respects. Although looked upon by many as being a region of lakes and timber—being quite a size it has its quota—there is a considerable amount of fertile agricultural land. The people are mostly engaged in agriculture, trapping, fishing, lumbering and the dairying industry. I should like to mention that something under 4,000,000 bushels of grain will be marketed this year in the town of Meadow Lake. It will be seen that we are not just an area of timber and waste water. I doubt if there is a country delivery point either in this country or in any other that will take delivery of anywhere near that amount of grain.

I was pleased to read in the Saskatoon *Star-Phoenix* of March 8 an article with regard to uranium production in the northern part of my riding. This article is dated Toronto, March 8, Canadian Press, and reads:

> The lake Athabasca area of northern Saskatchewan shows the most progress in the development of uranium ores, and Ontario has the largest number of prospects.
>
> These points came out Tuesday in a panel discussion at the annual convention of the prospectors and developers association.

And again:

> Undoubtedly most of the prospectors feel that a higher minimum price for uranium oxides should be paid by the federal government than the present $2.75 a pound.
>
> Lake Athabasca and the area centring at Goldfields shows the most progress because Eldorado

Mining and Refining Company Limited, a crown company, and Nicholson Mines, Limited, are engaged in actual operations.

That development is occurring on the north shore of lake Athabasca in the northern end of my riding. I want to devote the main part of my speech to the subjects that have been referred to already, the loss of our markets, our agricultural policy and the antidote that has been suggested by the Conservative party in the calling of a commonwealth conference. My constituents are mostly interested in that part of the throne speech that forecasts the establishment of floor prices for agricultural and fisheries products. Such a policy will assure them of stability in their markets.

The throne speech also touched upon international trade, external affairs, the cold war, defence, the Atlantic pact and unemployment. These form the backdrop for the speeches that have been delivered up to this time. In moving an amendment to the address the leader of the opposition (Mr. Drew) condemned the government for losing the British market and suggested a conference of empire countries to promote trade. There should be no difficulty in holding a conference at this time with Great Britain and the other empire countries but the first question that would arise would be: What shall we use for money to pay for your food products? As far as Great Britain is concerned, the fact is that she is not manufacturing enough to pay for the food products that she requires. The only things that are keeping her going are Marshall aid from the United States and the billion dollar loan from Canada.

At a conference such as has been suggested we would be faced with the proposition of either giving her goods on time until she could manufacture sufficient products to pay for them, or making a gift of our food products outright.

The hon. member for Lake Centre (Mr. Diefenbaker) moved an amendment with respect to a conference of this kind. In replying to the argument of the leader of the opposition (Mr. Drew), the Minister of Finance (Mr. Abbott) said he did not see how a commonwealth conference could do any good. No doubt when he said that he had in mind the situation I have outlined; that if we are to give Britain our products, either outright or on time, we can arrange all the details through our regular trade commissioners.

It is my opinion that though we want in the worst way to do business with Britain, and wish to help her to the limit of our ability in getting back on her feet, there is also a limit to what Canada can afford to lend or give. As a matter of fact, on a per capita basis, no country has given as much to Britain as Canada, not even the United States; and this is a remarkable record for a country so young —still in the growing pains stage, if you like— with a population of less than 14 million people. As I have said, there is a feeling that we have done all we can afford for the present.

There is a growing feeling in the United States, and the same view is held by many Canadians, that Britain is not approaching her problems in a realistic way, that she cannot support her tremendous free social services and eat as well. These services run into billions of dollars, and include such things as two wigs for any bald person who applies. He cannot get only one; he has to take two, at a cost to the country of from £32 to £60 which, at today's exchange rate, means from $90 to $168 to cover each bald head. I do not know what such a scheme would cost in Canada, but in looking over this chamber I am afraid it would cost the country a considerable amount just to equip the members of this house.

It may also be said that Britain's approach to her production shortage is equally unrealistic for a country in such dire straits. Certainly no individual in a comparable position, owing the butcher and the baker and having to depend on loans and gifts to keep his family going, would try to get back on his feet by working eight hours a day for five days a week and buying himself a wig. In other words it is very doubtful if Britain can afford the luxury of socialism and at the same time pull herself out of the hole.

It can be argued, of course, that the eight-hour day and five-day week are very successful in the United States. That is quite true; but with their superior machinery of production they produce more in eight hours than a comparable labour force in England does in twelve hours. Not only do they not owe any money to their neighbours; they have all the food they require pretty well in their own back yard, and they have plenty of money in the bank. In short, they can afford a five-day work week; they can take a well-deserved holiday occasionally, and provide most of their own requirements. Those who pioneered in the Canadian west or elsewhere will remember when they were in a position comparable to that of Great Britain. They did not have tractors, or the machinery of quick and easy production that is available today. They had a team of horses, or perhaps a team of oxen. They had to buy everything they used. There were forests to cut and sod to break, and they worked every daylight hour. Finally they got on their feet. Now they can work eight hours a day, and if they

feel like taking a day off they may do so, or they may have a couple of weeks at the lake, and things are as they should be.

It is possible that these thoughts were in the back of the minds of so many Canadians who were pulling for Winston Churchill in the recent British election. Certainly he could have made a clean sweep in this country if Canadians had been allowed to vote. No doubt they felt he would have insisted upon an approach to Britain's problems as realistic as when he came out with the "blood, sweat and tears" that brought us all through the war. Certainly it will be the hope of every Canadian, especially those in the west, that Britain will soon regain her prosperity, and have her eight-hour day and the odd holiday at the beach, as we and our neighbours across the line are able to do. Until she is able to do this, she will buy from us only what she has to have, or we will have to loan or give it to her. If she will approach her problems realistically she will not find Canada wanting in giving her aid, for by so doing we will help ourselves regain one of our best cash customers. I do not want this house to think I am condemning Britain too severely, but I believe she should face her problems in a different light. I should be one of those in sympathy with her, because I was born there and usually you have a soft spot in your heart for your native land. Certainly I have for mine. I do think, however, she might approach her problems in a different manner and obtain better results.

The answer of the leader of the opposition to our trade problems was to suggest a commonwealth conference. In the light of realities a conference makes little contribution to a solution. As I said before, you would be faced immediately with the question of what to use for money. The leader of the C.C.F. party (Mr. Coldwell) suggested that we should take sterling in payment of our goods. That would have some merit if we were in a position to extend more credit, because that is what it would amount to. Sir Stafford Cripps made that quite plain in an interview reported in the Toronto *Star* of February 11, when he said:

> The acceptance by Canada of sterling instead of dollars would not in itself solve the problem. This really wouldn't solve anything. It would only defer payment. It would really be a Canadian credit given without interest.

That is the long and short of it. The leader of the Social Credit party (Mr. Low) went a little further and suggested that the sterling might be reinvested in empire countries. I thought his proposal had considerable merit; but I am afraid the only country in the world in a position to accept that responsibility is the United States. That is about the only country with enough money to develop her own economy and have anything left over for development elsewhere. We are in the position of a young fellow just starting in business, who needs all his capital for his own affairs. Canada has much to develop here, and in fact needs outside money in order to proceed with the development of her own resources. Having that in mind I agree with the leader of the Social Credit group that the policy he suggested would be a good thing not only for us but also in the promotion of peace. I am afraid acceptance of that theory, however, is precluded by the fact that we require our money here in Canada.

The picture as to the sale of our agricultural products is not too dark, though it will require thought and wise merchandising by this government, and a realistic approach to her problems by Britain herself. She will buy a great deal from us in any case, but we may have to eventually reduce our acreage in wheat and grow more coarse grains, marketing that as beef in the United States. In other words we will have to make some adjustments. We may have to increase the production of hogs for our own use, because right now we are using about 90,000 per week and are not producing much more than that; and we are not going to be able to fill the small contract we now have with Britain.

The economic outlook for 1950 is one of continuing general buoyancy. Surveys of the research branch of the Department of Trade and Commerce covering all levels of government and some 17,500 business firms show that this year we will spend over $3,500 million in improvements and expansion of plants. This is always a criterion by which to judge the progress of a nation. This is the largest expenditure on expansion in our history, and represents 22 per cent of the estimated national income, which is expected to reach an all-time high of $16,250 million this year, or about eight times our pre-war income. We are the third largest trading nation in the world, though we only have one-half of one per cent of the population of the world. Per capita we trade three times as much as the United States, and twice as much as Britain. To further diversify and stabilize our economy, great oil fields have been discovered. Add to all this a great national leader in the right hon. Prime Minister (Mr. St. Laurent), and we can look to the future with confidence.

For my constituents in Meadow Lake I have only one wish to assure their prosperity; that is, that they may be up to their knees in mud about June 1. This, together with the leadership I have mentioned and the proven

policies of the right hon. Minister of Agriculture (Mr. Gardiner), will assure a high level of prosperity for my constituents.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, the member who has just taken his seat referred to the fact that he had a soft spot in his heart for the country in which he was born. I would fear for what might happen to Britain if he did not have that soft spot. He wants the British to take a more realistic attitude toward their problems. Does he not know that, according to international statistics compiled by an international authority, Great Britain has made a greater and more rapid recovery than any other country that was engaged in the war with her? Great Britain's production is now more than 130 per cent higher than it was in 1938.

An hon. Member: And who paid for it?

Mr. MacInnis: It came out of the sweat of the people of Britain.

An hon. Member: And loans.

Mr. Knowles: These members do not know the difference between money and production.

Mr. MacInnis: They do not know anything. It is assumed that Britain was living on the loans she got from the United States. It is not so well known, however, that Britain has loaned to other countries, despite her meagre resources, approximately as much as she received in loans from the United States. If any hon. member desires the exact figure, here it is: Britain received in loans from the United States, £1,538 million, and she loaned to other countries £1,494 million.

The hon. member for Meadow Lake (Mr. Harrison) suggests that the British should work from sunrise to sunset so that they could buy from us. Does he not know that the longer the hours British workers laboured the harder it would be for Canada to compete with her in the markets of the world, as we must do? During the discussions we had in this house on the need for a market in Britain, I received the impression that we were not thinking altogether of helping Great Britain, that the predominant thought was of helping ourselves. We need the British market as much as Britain needs ours. I shall have to leave the matter at that for now.

Before discussing the various questions with which I want to deal on this occasion, Mr. Speaker, I should like to refer to two matters in which my name was brought into this debate. When the member for Kootenay East (Mr. Byrne) took part in this debate, he took exception to my reference to him as a representative of labour. I am afraid my hon. friend misunderstood me. I had in mind his position as a trade unionist and as a trade union official, of which he has been careful to remind us almost every time he addressed the house. If I made a mistake, I believe my mistake is understandable. I am in complete agreement with the hon. member when he says he is here as a representative of the people in his constituency. Of course, that is the position of all of us. I hope he will believe me when I say I had no intention of misrepresenting his position.

The other matter in connection with which my name was mentioned, also by the member for Kootenay East, is of a more serious nature. When he spoke in this debate, he concluded his speech in this way, and I quote from page 391 of *Hansard*:

> Recently in the debate the hon. member for Vancouver East (Mr. MacInnis) intimated that the union to which I belonged and of which I was an officer—since coming to this house I have resigned that office—has been thrown out of the Canadian Congress of Labour. This is quite true. If the hon. member meant what he said when he pointed out it was for ideological purposes, that was also quite true; the ideological reason being that my union steadfastly refused to become a part of or to join the political machine of the C.C.F. socialist party.

The short answer to that statement is that it does not square with the facts of the case. There are two issues involved in the struggle that is now going on in the international union of mine, mill and smelter workers. The first may be called a jurisdictional dispute between the mine, mill and smelter workers union and the united steel workers. With that, I am not concerned. I cannot let pass, however, the unworthy charge made by the member for Kootenay East against the Canadian Congress of Labour. It is a serious statement for one to make, and it becomes doubly serious when it is made by a person holding the responsible position of member of parliament.

It is well known that there is a struggle taking place in the trade unions of Canada to rid them of communist control. The people of Canada should know on which side the member for Kootenay East is in that struggle. Is he supporting the communists, or is he with those who are working to destroy the communist influence in trade unions? The mine, mill and smelter workers union is not the only union that was expelled from the trade union movement in Canada because of communist control. The united electrical workers union was also expelled from the Canadian Congress of Labour, and for the same reason. The Canadian seamen's union was expelled from the Trades and Labour Congress of Canada and, so far as I know, the Trades and Labour Congress is not influenced by the C.C.F.

The C.I.O. in the United States found it necessary to expel the international union of

mine, mill and smelter workers from that body. Again, so far as I know, the political influence of the C.C.F. does not extend to the C.I.O. in the United States. Since this question has been raised, it may be of interest to the members of this house to hear the concluding paragraph of the report of the C.I.O. committee which investigated the charges against the mine and mill union. It reads as follows:

> For the reasons stated, therefore, and on the basis of all the evidence presented to it, the committee unanimously concludes that the policies and activities of the mine and mill are consistently directed toward the achievement of the program and purposes of the communist party rather than the objectives and policies set forth in the C.I.O. constitution.

The member for Kootenay East cannot be unaware of the fact that the mine, mill and smelter workers union is controlled by the communist party at top level. He cannot be unaware of the fact that Harvey Murphy, who is in charge of the organization of his union in the British Columbia district, is one of the top members of the communist party in Canada. He cannot be unaware of the fact that the government of Canada has found it desirable to deport from Canada organizers of the mine, mill and smelter workers union, the latest deportation being from the British Columbia district a few weeks ago.

In the struggle that is now taking place to destroy the influence of the communist party in the trade unions of Canada, the member for Kootenay East should clearly state where he stands, with Harvey Murphy or with Pat Conroy. Before he makes his decision I, as a friend, suggest that he have a talk with the member for Sudbury (Mr. Gauthier).

Mr. Gibson: Does the hon. member have to be a socialist or a communist?

Mr. MacInnis: The question does not arise, and when the member for Kootenay East makes statements such as the one I quoted from his speech he is parroting Harvey Murphy.

My main reason for taking part in this debate, Mr. Speaker, is to draw the attention of the government to the concern of the people of British Columbia, and the city of Vancouver, with the question of unemployment, as well as other important questions which are now confronting us. With 15·8 per cent of the labour force of the province unemployed, the question of unemployment has reached the proportions of a major emergency. Furthermore, the concern of the people of the province and of my city is increased by the unconcern of the authorities here.

When the Prime Minister (Mr. St. Laurent) spoke in this debate he concluded his speech by reading an editorial which appeared in the Montreal *Star* and which was headed: "1950, a Year of Adjustment." I think it was fitting that the Prime Minister should conclude his speech by reading a conservative editorial from the most conservative newspaper in Canada, for his own speech was as Conservative as anything I have heard in this house for many years.

That 1950 is likely to be a year of adjustment is one of the reasons why so many people are filled with concern. People are worried because they see the pattern of that adjustment emerging before their eyes, and what they are seeing does not inspire them with hope or confidence in the future. They have experienced similar adjustments in the past and know what they mean in human suffering. They see the cost of living increasing, employment decreasing and, worse still, they see the government throwing overboard the program for full employment and extended social security on which they won two elections. If anything further was required to complete their disillusionment and to increase their fear of the future, the Prime Minister's speech on the address provided it.

To hon. members on all sides of the house may I suggest that the times we are facing require of us that we should give the most searching analysis to the operation of our economic system. In my opinion the functioning of our economy has reached a stage which capitalism in the past has never been able to surmount. I shall explain what I mean. The so-called free enterprise system under which we operate fluctuates between periods of booming production and stagnating depression or, in other words, between high employment and mass unemployment. In boom periods, such as we have had since about 1939, everyone is more or less prosperous. When times are bad, millions are in want. We should try to understand what are the causes of our periods of prosperity and also what are the causes of our periods of depression.

Our periods of prosperity are caused either by supplying war needs, as we have done twice in the last thirty-five years, or a high demand for capital goods for use at home or abroad, or both. The amazing paradox of our system is this. When we have supplied our needs or other people's needs for capital goods, hard times begin. This is just the reverse of what the situation should be in any sane system of production. When our need for capital goods is met, we should then be in a position to start increasing our production of consumers' goods. But paradoxically, the reverse of that happens: we start curtailing the production of consumers' good

The truth of what I have said will be clear to anyone who will take the trouble to analyse the periods of prosperity and depression during the last one hundred years. It has been a succession of booms and busts, with the booms getting shorter and the busts getting longer with each economic cycle. Every time we have reached the stage when we should be in a position to make a mass attack on poverty in order to reduce it and to raise the standard of living of that part of the population which is always living below the line of health and decency, business begins to slow down, opportunities for investment begin to decline, unemployment increases and hundreds of thousands lose all they gained when production was booming. That has been the picture ever since I can remember, and it has been the picture for one hundred years before that. I am convinced that in this year of 1950 we are fast approaching a situation such as the one I have outlined, and that it will shortly overtake us unless something is done quickly to prevent it.

What can be done? Profiting by the lessons of the great depression and the knowledge of what we demonstrated we could do during the war, when as a people we had a national objective and a common purpose, the government in 1945 in a white paper outlined what they thought the future government policy had to be if we were to avoid the ups and downs which have always plagued our economy. On Thursday evening the hon. member for York South (Mr. Noseworthy) dealt with the salient points of the white paper, and I will not repeat what he said. I believe, however, hon. members will agree with me that the proposals contained in the white paper were worth-while aims. The authors of that document were aware of the fact that the social essentials mentioned therein, namely, opportunity, welfare and security, were lacking for hundreds of thousands of Canadians in the decade before 1939. Furthermore, by the achievements in production during the war, they were convinced that that lack was unnecessary. I am satisfied that that was the reason why we had the white paper.

The government itself placed a great deal of importance on that document at the time it was issued. On April 12, 1945, when the present Minister of Trade and Commerce (Mr. Howe), then minister of reconstruction, tabled the document he had this to say, and I quote from page 808 of *Hansard* of 1945. It may have no significance whatever, but I may mention that April 12, 1945, was the day before parliament prorogued; it was later dissolved and we had the election of that year. The then minister of reconstruction is reported as follows:

> Mr. Speaker, acting in my capacity as minister of reconstruction, I desire to lay on the table of parliament a statement on government policy, having to do with employment and income, with special reference to the initial period of reconstruction.
>
> I commend this document to you as deserving careful study. It is perhaps the most important government document that has been presented to this parliament in recent months.

It is regrettable that the government so soon forgot its importance. Then he went on to show some of the things that were to be done. I am now quoting from page 810 of *Hansard*:

> A co-ordinator of public projects will stimulate the planning of public works and map out the timing and nature of government expenditures on public works projects. The purpose will be to have in hand at all times a shelf of public projects already planned and available when needed to stimulate employment in any given area.

We were told by the Prime Minister the other day that unemployment was spotty; that it was localized. That is just exactly what the proposals and the program outlined in the white paper were intended for, so that as soon as unemployment showed itself in any locality plans would be ready to provide for it.

I continue with the quotation:

> In order to keep the department in close touch with every part of Canada, local regional councils have been appointed, one in each province of Canada, and two in the large industrial provinces of Ontario and Quebec. These committees will have a permanent executive staff. The duty of the committees will be to keep the department informed of employment conditions in their respective areas, to recommend public projects suitable for their area, and to keep citizens within their area informed about the work of the department. These committees will be representative of the various economic groups within the area, and will include representatives of labour.

I have one or two other short sentences and I shall be finished with these proposals, the outline of which was given so dramatically by the minister of reconstruction on the date I mentioned. I continue:

> The need for immediate and extensive reconstruction measures has not yet arisen, but the machinery is ready, and action will be prompt whenever we enter into the period of transition following the defeat of Germany. However, the machinery cannot operate without a comprehensive policy to guide it in its working, and set the targets for it. Here also the pattern has been set, the principles have been agreed upon, and the way cleared for action.

The way was cleared but no action was taken. In the last paragraph we have this:

> To attempt to summarize the document would be an invitation to hon. members to avoid giving study to the document itself. Therefore, I will not attempt such a summary. Once again let me urge you to read and study this important statement of government policy.

Mr. Knowles: Did the government ever study it?

Mr. MacInnis: I doubt very much whether the minister ever looked at it after it was tabled. Perhaps they did, because later some of the proposals in the green book seem to have been taken from the white paper. Certainly, now is the time when they should put these policies into effect, because there are many places where they are needed.

We have been living in troubled times since the end of the war; but nevertheless in nearly all of the countries of the world, and particularly in the democratic countries, there has been a tremendous increase in production. I noted in a publication a few days ago that in the Marshall aid countries of Europe, with the exception of Germany, production had reached 130 per cent of pre-war. In all of the countries of western Europe shortages are disappearing, and on this continent they are disappearing also. Those who now go without the things they need go without them because they have not the money to buy and not because the goods they need are not available.

I have a feeling that the ease with which the transition was made from war production to peace production has lulled this government into a false sense of security. They seem to have forgotten how capitalism works. They seem to have forgotten the depression of the 1930's, and the events which led up to it. That they have forgotten or refuse to see is apparent from their insistence that the present high unemployment is due to the weather. But to show that there are other and more fundamental reasons for the unemployment, I shall quote from the Prime Minister's speech in this debate at page 53 of *Hansard*. He said:

> About eight or nine months ago, as hon. members know, there was an indication of some slackening of economic activity in the United States. Our pulp and paper people felt that it would be a prudent thing to reduce the size of their inventories in which so much of their working capital was tied up at rather high costs of production.
>
> I am informed the result was that this year there were about 35,000 fewer jobs in the woods than in previous years. That does not mean unemployment merely for 35,000 men.

The Prime Minister went on to show that many workers in other industries were thrown out of work because of the so-called prudent action of the managers of the pulp and paper industry.

When the hon. member for Beauce (Mr. Poulin) spoke in this debate last week he showed what happened to the men who supplied the wood to the pulp and paper people. I read from the English translation of the hon. member's speech. He said:

> I admit these production costs are rather high, but the companies have reduced their inventories.

He was referring to the statement made by the Prime Minister. I continue:

> They have not omitted, however, to reduce, in a shameful manner, the price paid to small operators for pulpwood, and the salaries paid to woodcutters for job work. In view of the price the paper companies get for pulp, it really is a shame that they should be allowed to pay these forest labourers the meagre wage they force them to accept with a knife at their throat, if I may say so.

The knife at their throat is the fear of hunger, the fear of unemployment. I am drawing attention to this quotation, Mr. Speaker, from the Prime Minister's speech and also from the speech of the hon. member for Beauce, because first they show the unemployment is not wholly due to the weather; and second, they show on what a slender thread the livelihood of the people rests under the so-called free enterprise system.

In my home city I do not find any of that easy optimism which flows so easily in the speeches of the Prime Minister. Authorities in Vancouver are convinced that unemployment is due to a slowing down of business. They know that unemployment is worse this winter than it was last; and they are afraid it will be worse next winter than it is this, unless planned action is taken to prevent it.

I hold in my hand a copy of a brief sent to the Prime Minister (Mr. St. Laurent) by the city council of Vancouver. I shall read from it two short paragraphs to show how the city council of that city looks at this question of unemployment. It reads:

> This situation cannot be referred to as unique or surprising, considering the fact that just prior to the last war our economy was reeling from the worst depression known to our country. On the contrary, the last great depression served to make our people and their government more aware of the hardships of an unplanned legislative approach to the emergency which arises when an economic recession sets in. This public consciousness grew and in fact became international when it culminated in the recommendations put forward for the benefit of the peoples of the world and incorporated in the United Nations charter.
>
> The heartening factor to the working classes of Canada, even before the recent overwhelming victory of the government in the last election, was the publicly expressed desire and plans to overcome the unemployment situation which is critical at the present time. These sentiments so expressed with apparent sincerity no doubt accounted for the said overwhelming victory at the polls.

The sentiments to which they refer are the proposals outlined in the white paper and in the speeches by members of the government made afterwards.

I, too, have a letter which I should like to read into the record. This letter is written by a man who for many years has had the job of trying to help those who fail in the day-to-day struggle of earning a livelihood. I believe this letter is far more realistic in its evaluation of present conditions than the editorial read into the record by the Prime

Minister when he spoke. This man sees life from its seamy side. He comes in contact with people who are the first to feel the effects of hard times. I shall not read the whole of the letter, but I am sure the condition this man outlines as being the case in Vancouver is the case in every large centre in Canada. He says:

> We are writing, however, to ask you to strive for immediate action to provide financial assistance for families of unemployed persons who at the moment are not eligible for unemployment insurance . . . No assistance to cover food, shelter and fuel for this group is available at the present time in Vancouver. The high cost of living and housing problems, in our experience, make it impossible for families of average income to maintain proper standards of health and decency, and at the same time to put anything by for a rainy day. With jobs not available, savings gone and the breadwinner categorically rejected as ineligible for any assistance, unemployed citizens of Vancouver are now forced to rely upon their grocer, landlord and neighbours, or go the rounds for hand-outs.
>
> It seems unspeakable that in 1950, in the third largest city of Canada, veterans' and non-veterans' families are suffering while our three governments disclaim responsibility for action. As you probably know, in 1945 the federal government framed a comprehensive scheme for unemployment assistance, the provincial statutes of this province include permissive legislation covering assistance, and the city of Vancouver charter sets forth the responsibility for providing for its poor and destitute. Yet, year after year, as unemployment mounts, more families are left without the basic necessities of life.

Then he shows the consequences of this neglect. Referring to the family welfare bureau of greater Vancouver he states:

> This organization for twenty-two years has stood for strengthening family life, and we regard the present impasse as both unnecessary and alarming. We know how insidiously under-nourishment, fear and desperation are undermining the physical and mental health of parents and children. In turn these will result in greatly increased public costs in combating physical and mental illness and delinquency in all its varied forms.

I am sure if the editor of the Montreal *Star* had had the job of looking after these people he would not be so optimistic as he appeared in that editorial to be.

I should like to have made some comment on the amazing speech delivered by the hon. member for Winnipeg South (Mr. Mutch) in the debate, but time does not permit. May I point out however that the hon. member seems to have more than his share of fear. He is afraid of statism, whatever that is. He has a congenital distrust of planners—and my understanding of "congenital" is that it is something with which he was born. He has a holy horror of the welfare state, and looks with a jaundiced eye upon subsidies in any form. I do not know whether this completes his list of phobias, but I believe hon. members will agree with me that a man who is prey to so many fears is in no condition to make a full and objective study of the problems confronting our world today.

Mr. Knowles: He should go to a psychiatrist.

Mr. Gibson: He does not vote socialist.

Mr. MacInnis: And thank God for that. I would like to tell him a few things, but I do not suppose it would do any good.

Mr. Knowles: Just add to his fears.

Mr. MacInnis: A man who has as many fears as that is—

An hon. Member: Hopeless.

Mr. MacInnis: Yes, hopeless. You cannot do anything with him. In conclusion I would urge the government and the members of this house to get back to the thinking that produced the white paper—yes, and later the thinking that produced the green book proposals. Not only should we get back to the thinking but to the spirit of the times when we were all working for a common, national objective. Until we go forward to that stage, where we are thinking in terms of co-operation, and not everyone for himself, we shall not meet effectively those problems which today confront us on every hand.

Any policy based on the assumption that so-called free enterprise will permanently, or even over a relatively long period of time, provide full employment, is bound to lead to disaster. Capitalism will provide employment only so long as substantial profits can be made. This condition applies only in periods of scarcity. It always breaks down in times of plenty. If we are capable of profiting by the experience of the past we must without delay formulate and put into operation policies which will demonstrate to our people that the harder they work, the more they produce, the more secure their lives will be. Indeed the opposite of that is the feeling that they have today where plenty breeds poverty and misery.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. John Decore (Vegreville): Mr. Speaker, in rising to take part in this debate I should like to take this opportunity to congratulate the mover and seconder of the address in reply to the speech from the throne. The way the hon. member for Kindersley (Mr. Larson) and the hon. member for Villeneuve (Mr. Dumas) acquitted themselves has brought honour not only to themselves but also to the constituencies they represent. I should like also to

pay tribute to the hon. member for Grey-Bruce (Mr. Harris) on his elevation to the very important position of Minister of Citizenship and Immigration. As a new member of this house I am sure I am expressing the sentiments of most new members here when I say the minister has been very kind in giving us guidance in our new surroundings and encouragement in our new responsibilities. Being an Albertan—and incidentally, regardless of the Social Credit government, my province is still known as sunny Alberta—I should like to congratulate the hon. member for Edmonton West (Mr. Prudham) on his appointment as parliamentary assistant. Those of us who know him well are familiar with his ability and honesty, and we know he will carry out his duties effectively and conscientiously. We hope that in the not too distant future he will be given even greater responsibilities which will enable him to take a more active part in the affairs of this country.

I am not going to talk too much about my constituency, except to say what I suppose most hon. members already know, that the constituency I have the honour to represent includes the biggest oil sector in Canada, the famous Redwater oil field. In my constituency we have very progressive farmers, who for the last number of years have gained world recognition of their efforts. Last year the farmers of Vegreville constituency managed to capture three major awards at the Toronto royal fair and the Chicago world show.

In recent days, and indeed over the last few years, we have heard repeated statements by some members on the opposition side of this house as well as other people throughout the land to the effect that a major depression is just around the corner and that this country is heading into economic ruin. While we must be on our guard, such utterances by these calamity howlers certainly are not in the best interests of this country. In this connection I should like to direct attention to an editorial which appeared recently in the Montreal *Gazette*; and I chose the *Gazette* for a specific reason, because we all know this particular newspaper supports certain political views in this country:

Ford Head Raps Calamity Howlers

A useful and timely public declaration was made in Toronto yesterday by Mr. Rhys M. Sale, the recently appointed new president of the Ford Motor Company of Canada. He spoke out firmly against the dangers and lack of real basis in the tendency in some quarters to fear and foretell a business depression in the next two or three years. He confessed with good reason to being worried to see "professional gloom-spreaders doing their best to talk us into a depression."

Mr. Sale was rightly concerned that, even without any valid foundation or signs of economic collapse, the talk of such calamity howlers could engender public apprehension which, in itself, could bring on business stagnation and instability. Evidence presented by public opinion polls and otherwise indicated an initial undercurrent of unjustified fear akin to the panic which largely contributed to the depression of the 1930's.

The motor company head saw "not the slightest" ground for the kind of fear being stirred by "some opportunists" and by scare reports on current economic problems which, while real, had hardly brought the country to the brink of disaster. He pointed to Canada's continuing increase in population, in capital investment and creation of new wealth, and the high level of personal earnings, as some of the factors warranting a firm confidence in the future, whatever moderate or temporary adjustments there might be from time to time in the business tempo.

We all realize that we are now in a transitional period, passing from a wartime to a peacetime economy. That is bound to be reflected in conditions throughout Canada. During the war it was quite an easy matter for us to dispose of our surplus products, especially agricultural products, because the whole world wanted our wheat, our bacon, our beef, and whatever we had to sell. But gradually the economies of the European countries are being adjusted, and of course we are experiencing certain difficulties. However, I repeat that Canada has no room for calamity howlers and gloom-spreaders. It seems to me some of these people almost wish there would be a major economic depression so that eventually they would be in a position to say "I told you so." My submission is that if they continue to spread fear and distrust their efforts might very well bear fruit and bring about a depression.

At this time I should like to draw the attention of hon. members to the matter of the trans-Canada highway. I appreciate that legislation in this regard was put through last session, and I do not want to create the impression that I am dealing with a dead issue or whipping a dead horse. However, I do not believe the question of the trans-Canada highway has been settled, especially in the prairie provinces. I am referring to the route, of course. As a representative from northern Alberta you would naturally expect me to favour the Yellowhead route; and for that I offer no apologies. However, I prefer to look at the matter not merely as one coming from the town of Vegreville or as an Albertan or even as a westerner, but rather from the Canadian point of view. I am not casting any reflection upon any government, but I do not believe for a moment that any of the provincial governments in western Canada are competent to decide the route on a national basis. Naturally they will be guided by provincial rather than national considerations.

The question of the trans-Canada highway route is of great importance to the Dominion of Canada from the point of view of defence. We realize that we are going to spend large

sums of money for defence purposes this year. Again, the question of where this trans-Canada highway is to go plays an important part in our defence. I have been told that the three most westerly provinces seem to favour the Calgary-Kicking Horse route. If I were satisfied that the decision to have the highway go through Calgary and Banff had been made by competent persons with full knowledge of the relevant facts as to alternative routes, then I would be prepared to abide by such a decision. But I am not satisfied.

At the moment, I believe the Calgary-Kicking Horse route is only second best, and a poor second, when compared with the Yellowhead route. A reference was made today by the member for Calgary West (Mr. Smith) to a rat, and the important role that that rat landing in Edmonton would play in coming from the east and blazing a trail for the trans-Canada highway. An interesting question arises as to why this rat, instead of going through Medicine Hat and that part of the country, stopping over at Calgary, by way of the Kicking Horse pass, in which there are hundreds of miles of desert, arid land, sand, cactus and no water, chose to go to Edmonton. I think the answer is quite simple. Even a rat knows better.

On a prior occasion the member for Calgary West referred to Edmonton, and said he never knew about Edmonton until he heard of a little place called Leduc. It was Leduc that put Edmonton on the map. He went on to say that, so far as Edmonton was concerned, for miles around Edmonton there was nothing but swamp. It so happens that takes in part of my constituency, and I must confess that I have been getting complaints from some of my constituents about it. I should like to say that those of us who come from that part of Alberta have a high regard for the member for Calgary West. He is held in high esteem and, of course, we realize his ability in this chamber. But as you know, at times most of us have to go through certain misfortunes. We are bound to do certain things we do not like to do. It appears to be the unfortunate lot of the hon. member for Calgary West to have to represent a portion of that cow town called Calgary.

Mr. Harkness: It is the only town we have out there that anybody knows anything about.

Mr. Decore: May I tell the member for Calgary East (Mr. Harkness) that I have a lot of friends living in the city of Edmonton. They tell me that if they want to get away from it all after a hard week's work, and spend a quiet week end, they do one of two things. They either go out in the country, or they go to what is now rapidly becoming a suburb of Edmonton, Calgary.

Mr. Harkness: They certainly would not stay in Edmonton if they could help it.

Mr. Decore: The advantages of the Yellowhead route have already been enumerated on the floor of this house. I am sure some hon. members have seen the edition of the Edmonton *Journal* dated February 28 last, which contains an editorial on the subject. A portion of that editorial reads as follows:

> The advantages of the evergreen highway have been listed by the Yellowhead route association. The most important of them are as follows:
>
> 1. The evergreen highway is particularly important at this time as a potential military highway. It connects central Canada with the Alaska highway most directly, and also with Vancouver and Prince Rupert. "Exercise Sweetbriar" reflects the important place the Alaska highway plays in Canadian and United States defence thinking. That northern highway is only as good as the highways feeding it from the south. And the time to build a defence highway is long before its possible need for defence purposes.

I think, Mr. Speaker, that is very important. It is certainly something that should be taken into consideration. Again I suggest the provinces are not competent enough to decide this question of defence from a national point of view.

The article continues:

> 2. The evergreen highway would prove to be the finest motor tourist highway in the west. It would link four great national parks, and five splendid provincial parks, from east to west. Its whole length would run through beautiful country, wooded, parklike, and gently rolling; not through hundreds of miles of flat prairie with scarcely a tree in sight. It would attract tourists far into the country, keeping them in Canada for longer "spending" periods.
>
> 3. The evergreen highway would cost less to maintain, particularly through the Rockies, for the Yellowhead pass is lower. Its altitude is 3,717 feet compared with the 5,337 of the Kicking Horse pass and the 4,450 of the Crowsnest.

Mr. Smith (Calgary West): It does not amount to anything.

Mr. Decore: It does amount to a lot. I continue reading from the editorial:

> Snowfall on the Yellowhead route also is less. Mud, rock and snow slides in the Kicking Horse pass are a constant threat, while in the Yellowhead they are not, for the pass there is much wider.

Mr. Johnston: Just recently the trains from the Yellowhead pass had to go through the Kicking Horse pass.

Mr. Decore: May I also refer briefly to an editorial which appeared in the Edmonton *Bulletin* under date of February 9. This is what it says:

> The Kicking Horse route builds into the past where development and growth have come to a halt. The Yellowhead route builds into the future where development and growth will continue for a century or more.

Now, if I may go back to that rat again, which found its way into Edmonton, they

tell me that rats like to be where there is a concentration of human beings. Now, I believe that is very significant.

Mr. Smith (Calgary West): So do I.

Mr. Decore: It is significant that this rat did not find its way into Calgary. I am told that rats are conscious, as a class, and they prefer not to deal with human rats.

Mr. Speaker: Order. I realize now that there are too many interruptions.

Mr. Decore: Although the proposal is that the province pay half of the cost, and the federal government the other half, the fact remains that 100 per cent of the cost of construction and maintenance will have to come out of the pockets of the Canadian taxpayers. The Canadian taxpayer is concerned, and should be concerned, to see that the money spent on this national project is spent to the best possible advantage of this great country of ours. Again I stress the matter of defence. It has been emphasized before, and I am stressing it again, that there should be some fact-finding board or, in the alternative, a royal commission appointed by the federal government to investigate all phases of the construction of the trans-Canada highway. As an alternative, an independent board could be appointed by the federal and provincial authorities to investigate the question of a route for this highway from Winnipeg to Vancouver. The enormous cost of the work, plus the effect it will have on our whole Canadian economy, makes it necessary that the matter be determined not only impartially, but also on a national rather than a provincial level.

I believe the question of the route of the trans-Canada highway, from the point of view of national defence, national development, and national economy, is of vital concern, not only to the people of Alberta, Saskatchewan and British Columbia, but to all Canadians, regardless of whether they are in Ontario, Quebec, Nova Scotia or any other part of Canada.

Mr. Ray Thomas (Wetaskiwin): I rise, Mr. Speaker, with a great deal of difficulty to take part in this debate. I was in a difficult curling match yesterday, and I find myself stiffened up in quite a few muscles.

This afternoon the hon. member for Vancouver East (Mr. MacInnis) put on *Hansard* the record of production in the British isles since 1938 and said that the production this year was 138 per cent of production in 1938. We all agree that Britain needs that added production. He left the impression, however, that it was as a direct result of the Labour government regime that this increased production came about. I have here a statement written by Mr. Alfred Edwards, a member of parliament in Great Britain; he was a Labour member during the last regime. This is what he has to say:

> . . . let us look at coal under nationalization and steel under private enterprise. Heaven knows coal under private ownership was no model. England's plight was desperate and she needed full production. So the Labour party took over the mines for the people and voted the equivalent of $100 million for mechanization to increase the per capita production of the worker. Yet from June to October, 1948, in spite of the increased mechanization and in spite of the fact that it is now the people's coal—not that of the greedy capitalists—the mines produced 158,000 tons per week less than in 1938.

He goes on to say that most of the privately run industries have shown a large increase in production since 1945 but coal actually shows a loss. As a matter of fact, Mr. Speaker, it has become a laughing stock in Great Britain. One of the cartoonists has pictured a miner talking to the minister and saying: You told us that under socialism we would get more money for less work. Well, we have given you less work. How about giving us more money? He also says:

> The next target for socialism is steel. This is by all tests the most efficient industry in England—perhaps in the world. It produced 11 million tons in 1938, more than 15 million tons in 1948 with but little increase in its mechanization. It has not had a strike in thirty years. Its wages rise and fall according to an agreed arrangement in relation to prices.

This is in striking contrast to the impression left by the hon. member for Vancouver East this afternoon. It looks a great deal as though Britain has made great advances not because of the Labour government but in spite of it.

From there I should like to go to another nationally run concern, and this time one here in Canada. Since the reduction in railway service was put into force—and I am exceedingly glad to see that the regular runs are in operation again—I have received numerous letters and resolutions. I shall not take the time to put any of them on the record word for word, but they ask for an investigation into all of the details; that is, into whether or not there was a coal shortage, and if there was, why; into the effect of the curtailment on the mail, l.c.l. service and express, the loss of business to busses and to the C.P.R.; and into the employment situation as it was affected at that time.

The minister dealt with the matter in part, as reported at page 23 of *Hansard*, when he said that the board of directors of the Canadian National Railways, at its meeting in October, 1948, approved an objective of 2,365,000 tons of coal for stockpile as at December 31, 1949. As the result of Mr. Vaughan's instructions to cut it down to three

months' supply, the stockpile as of December 31, 1949, was 1,043,000 tons. If the minister had studied the matter he would have found that the suggested stockpile came to something like 532,000 tons of coal per month; that is, for four and a half months' supply. If the stockpile had been up to Mr. Vaughan's suggestion for three months we would have had in the stockpile one-third again as much coal as we had at the end of December. That extra third would have much more than taken care of the 25 per cent reduction in passenger service that was implemented by the C.N.R.

The minister gave us the relative mileages of the C.P.R. and the C.N.R. in eastern Canada, central Canada and western Canada, and he pointed out that the largest mileages of the C.N.R. were in central Canada where no coal supplies were available. What he neglected to say was that the Canadian National Railways serve the Brazeau collieries in Alberta as well as the collieries at Mountain Park, Cadomin, Nacmine, Luscar, and various other coal mining centres. We could go on and name others. We have the Drumheller and Camrose mines, all served by the Canadian National Railways. I should say, of course, that the coal from some of these mines is not suitable as steam coal but in a good many cases it is. During January I had the pleasure of spending some time in Mirror, which is the divisional point which serves Brazeau. While I was down at the station there I looked over the bulletin for trains; and believe it or not, there were no coal cars available to run into the Brazeau mine. Trains were running out of Brazeau under tonnage; and the Brazeau mines laid off 27 men in the month of January. The mines were there; the coal was there; the will to produce was there, and in a national emergency I would think that not only would the trains be running with full tonnage, but there would be extra trains put on. Where were the coal cars? Alberta has coal reserves of 46 billion tons. If they had wanted the coal we could have given it to them; and that also applies to the great mines in the maritimes. The great Cape Breton mines are served by the Canadian National Railways.

I would suggest that a complete investigation be made into the trans-Canada freight service to determine whether or not the full possible tonnage was being carried between the Alberta coal mines and central Canada, and between the maritime mines and central Canada, and to see whether or not full advantage was being taken of the possibilities and of the reserves of these two parts of the country. The damage that has been done by cutting down this service cannot be estimated. During the depression the Canadian National Railways cut off a part of the service between Edmonton and Calgary on Nos. 13 and 14 through Mirror, and Nos. 25 and 26 through Drumheller. That was only temporary, but in that instance it was a financial necessity; at least these lines were never restored to full service. They never needed full service again because as soon as the Canadian National Railways took off that service the Canadian Pacific service between Edmonton and Calgary had to put on extra trains. The Greyhound busses increased, and every little town has a fleet of trucks. The damage can never be repaired.

I have received numerous resolutions from various branches of the Canadian Legion in my constituency, and I should like to put one of them on the record at this time. This is from branch No. 229 Millet, Alberta, and reads as follows:

> Millet branch of the Canadian Legion, B.E.S.L. No. 229 heartily concur in the following:
>
> First, the paramount need for a basic increase in war veterans' allowance;
>
> Second, the crying necessity to bring widows and wives completely under the War Veterans Allowance Act to accord them the same benefits as the male recipients;
>
> Third, the importance of setting up a special parliamentary committee on veterans affairs.

I think the basic allowance is now $40.41 for a single man, and $70.83 for a married man. These veterans are being paid for the burning out they received during the first war. They are being paid for services rendered, and it seems a pity that they should be penalized to the extent that they are now getting less than the old age pension. I would strongly urge the minister to consider increasing the basic allowance for a single man to $50 and to $85 for a married man. This would be in accordance with the recommendations of service organizations throughout Canada.

Another point has to do with the widows of the recipients of those allowances. At the present time so long as they have a husband partially to support them they are in receipt of a supplementary allowance, but as soon as their husbands die they are penalized to such an extent that they get nothing.

I would strongly urge that the means test be abolished with reference to those in receipt of the war veteran's allowance, or at least raised to the minimum of the income tax exemption.

There is another group of veterans who deserve a great deal more consideration than they have been getting. We hope that the measure now on the order paper to give the imperial veterans the war veteran's allowance will be passed. I have in mind a man who came over here in 1919 and who has worked

hard to raise his family. He has been an A-1 citizen ever since, and at the present time he is getting a basic allowance of $8.41.

I should like to add my plea to the many that have been expressed to give the veterans clear title under the Soldier Settlement Act. Last summer I was approached by one old soldier who had been unable to keep up his interest payments and was unable to pay anything down on the capital because of a bit of tough luck. He owed them $2,000, so he had to get off his land. As soon as he got off, that land was sold to another settler for $800, including improvements.

What is more, I say all this could be done without any further taxation. It could be done out of the wealth of the country. I see some hon. members shaking their heads. Possibly they will remember that the Minister of Finance said that money came as a result of production. I cannot entirely agree with the minister on that. At the present time money is the result of the producer's ability to pay back a loan with interest after he has paid for his own livelihood out of his production. During 1948 production in Canada was estimated at $1,250 per capita. It was also estimated at the same time that the available purchasing power in Canada was $1,000 per capita, thus leaving a discrepancy of $250 per capita short of having enough money to purchase what we produce.

All the federal government has to do to pay for all these things, and to put forth an immense social service campaign, is to issue debt-free money and place it in circulation so as to maintain a proper balance between our production and our purchasing power.

May I leave one thought in the minds of the government in connection with the payment of family allowances? At the present time these payments begin at birth and end just when a child is reaching a stage of advanced education and requires money most. I suggest that the payment of these family allowances should be continued until a child has finished its education or quits school.

May I say a few words about the subamendment moved by the leader of the C.C.F. party. The proposed amendment to subparagraph (2) of the Progressive Conservative amendment is expressed in broad general terms. This part might be considered to state the objective toward which we are all working, an economy wherein all our people are ensured social justice.

It appears to envision an economy so organized that every Canadian can be assured of adequate food, clothing, and shelter limited only by Canada's productive capacity. Nothing is said as to the method by which the objective shall be reached. We are left, therefore, to fill in the details of method as we think they should be applied to ensure that social security for Canadians is realized. We favour the broad objective, and we propose to support this subamendment, reserving the right to say by what means we shall attempt to achieve over-all social security for the Canadian people. We want to make it clear that we do not believe it is possible to attain adequate social security by schemes of nationalization, or socialization. And if it has to depend in the main upon taxation we shall never realize social justice in this country. I am confident that we can produce a great enough volume of goods and services that every Canadian can have plenty to eat and wear and to keep him warm, comfortable, and happy. I am also perfectly sure that, through the application of wise reforms in our distribution system, a just over-all level of social security is possible.

As to the second part of the subamendment, we think it is so vaguely worded that it might mean one thing or it might mean another. We interpret it to mean that the government should have pursued a vigorous policy of curbing communism and fascism in Canada, and while doing so, to respect fully the rights and freedoms of individual Canadians.

In dealing with all such movements the appropriate and effective method of attack is to remove undesirable living conditions in Canada. Certainly the government has far too long neglected to apply a remedy to the outrageous cost of living in Canada. Therefore we propose to support this part of the subamendment also. As I said before, we shall support it, but we reserve the right to choose our own methods as to the way in which it should be carried out.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I had determined to tell the house of the beauties of the constituency of Burnaby-Richmond, and the abilities of its people.

An hon. Member: What about the weather?

Mr. Goode: The weather is good, too. However, I propose to tell the house tonight something about what our people are thinking—in fact what people are thinking not only in the House of Commons but everywhere in Canada. We hear from time to time, and we see in the newspapers, statements regarding the President of the United States and his authority to manufacture the hydrogen bomb. We wonder why in this age of modern learning it is necessary at this stage of our development to start on a crusade of destruction, when there should be no need for it.

It seems that our people are thinking, and that everyone in this building tonight is thinking, of what can be done to stop the carnage before it gets started. We believe that the

cemeteries of Europe are full enough of Canadian dead. We feel something should be done—indeed we know something should be done to stop any further battles before they begin.

The situation in the world today seems to be one of fear, and there is some reason for it. We have just witnessed the conquest of China by Russia, and in a moment I shall quote some figures to prove that Russia is now embarked upon a series of conquests, and that we are not prepared to take care of that situation when it develops.

I should like to quote from *Newsweek* of March 13, referring particularly to an item headed "How we stack up against Russia." As everyone knows, Canada's future is tied up with that of the United States. This article in *Newsweek* states:

> The United States army today consists of ten divisions, including one armoured division and one airborne. Man for man, these divisions have a great deal more firepower than any of the outfits of the last war; they are fairly well trained, and their morale is high. Except for the 82nd airborne and some infantry units in Japan, however, the army is undermanned and underequipped. In contrast, the Red army is believed to have between 150 and 170 divisions, including perhaps 30 armoured divisions, all of them at fighting strength.
>
> The United States air force consists of 48 groups, with roughly 3,300 combat planes and 5,500 transport and support planes in operation. The Red air force has about 9,000 combat planes and perhaps 8,000 transport and supply planes. More than half of the Russian combat planes are jets; about 300 are TU-4s, a long-distance bomber much like the American B-29.
>
> The United States navy has 7 large carriers, 8 smaller carriers, 1 battleship, 13 cruisers, 140 destroyers, 70 submarines, and 414 other craft in the active fleets. The Red navy has 3 battleships, 14 cruisers, 110 destroyers, about 270 submarines—

And a force of over a thousand vessels in support.

That is the situation in bare outline. The details make it rosy in some respects and blacker in others. As I said, the Canadian future is tide up with the future of the United States. I believe and my people believe that there is no necessity to bring these two great forces into conflict. We believe that if ordinary brains are used—surely we have them in high places—and men from the top level meet around the table, in the end the world will be better off.

It may be said that Russia has refused to keep its obligations in the past. That may be true, but we believe that one more try should be made so that the world may be kept from the destruction that will follow if we go on the way we are. Scientists have told us that if the H-bomb is used at this time it will start a chain reaction that will put civilization into chaos for 500 years; there will be no living on earth. Other scientists tell us that the H-bomb will never be used. There seems to be confusion, not only at the public level, on the part of the man in the street, but in the minds of scientists and government officials.

Before the British elections Mr. Winston Churchill said that if his party was elected he would call a conference at top level immediately to see that Russia and the western democracies were brought together and some type of solution arrived at. Unfortunately—perhaps fortunately for some—that conference will not take place in the near future. My suggestion is that Canada should institute this meeting. We have men of ability who have proved themselves in the United Nations to have what it takes to do this job. Canada should take the lead in bringing Russia and the great powers together to stop this great holocaust.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I did not take part in the debate on the address in reply to the speech from the throne last session, so speaking now in this debate I wish first to congratulate you upon your elevation to the honourable office you now occupy in this house. I want to comment upon the fairness of your decisions during this and the previous session. It is customary for speakers in this debate to congratulate the mover (Mr. Larson) and the seconder (Mr. Dumas), and in offering my congratulations I shall not attempt to add adjectives to those that have been used already. It would be just a repetition of the good things that have been said of these hon. members in connection with the impression they have made with their first speeches. In my humble opinion they did a good job with the text they had to work with.

I should like to take advantage of this opportunity to congratulate the hon. member for Cumberland (Mr. Black) upon his return to the house after an absence on account of illness of three or four weeks. The hon. member is first, last and always working in the interests of the maritime provinces. He is not here at the moment, but I want to say that I am glad to see him back and I hope his health will permit him to remain during the rest of the session.

There are many subjects referred to in the speech from the throne but this debate permits a member to speak on any subject, to travel far and wide without being taken to task for irrelevancy. Any remarks made by an hon. member during this debate cannot be considered to reflect in any way upon the private or public life of His Excellency. His Excellency simply read a document which was placed in his hands by his political advisers.

The speech from the throne is vague and full of pious hopes. I have listened to many of the speeches that have been delivered during this debate and have read others when I did not have the pleasure of being present when they were delivered, and I am fully persuaded that this speech from the throne is exceptionally vague and full of pious and porous hopes. I do not intend to follow the many speeches that have been made, but there are a few remarks to which I may have to refer.

In preparing the speech from the throne the government apparently recognized its unfavourable position. It indicated the weakness of the government to cope with the various situations that exist. It seemed to be an effort to forestall criticism by His Majesty's loyal opposition. The government seems to be quite orthodox because apparently it believes in making a full confession thinking that will be good for its soul. This speech from the throne is a clumsy exhibition of an effort to befuddle the public. It indicates complete confusion and failure to grapple with the grave situations which are overtaking this country, which are now ripening and bringing about climaxing hardships.

The two main causes of the hardships that exist in this country are unemployment and the lack of markets for our agricultural products. The remedies suggested by the government in the speech from the throne are not good enough to take care of the situation. For instance, widening the scope of the unemployment insurance legislation will not take the place of good jobs. Promises made before and during the last election campaign of undertakings which would provide employment, even if immediately effective, would not give our unemployed what they deserve at the present time. What has the government to offer with respect to unemployment? As I said a moment ago, they said they would widen the scope of the Unemployment Insurance Act.

Let us go a little further and look at something else which is causing great hardship throughout the country. What about the farmers' products? They are packed away in cellars and storage houses across this country, although the government promised to market them. Today the government knows full well that many of these products of the soil are unsalable at the present time, even at prices far below the cost of production.

An hon. Member: What products?

Mr. McLure: Well, if you do not know you cannot have been listening to what has been going on here for the last three weeks. The government knows better than I can tell them what those products are, and that they cannot be sold at anything like the cost of production. During the election campaign the government promised to find markets for our agricultural products, but have they done so? They have not. All they offer the farmer now is sympathy. They say to him, practically in these words, "Live, horse; grass will grow sometime." Addressing the meeting of the Ontario Liberal association in Toronto on April 7, 1949, the then minister of reconstruction and supply (Mr. Winters) is reported as follows in the *Globe and Mail* of April 8:

> Federal government departments have shelved a number of public projects which would act as a bulwark if depression threatened.

He is further reported as having said that these projects would provide employment when needed and would promote the general economic welfare. Of course you realize, Mr. Speaker, that this was election propaganda, which it was hoped would bring results when the voting took place. At the same time the minister referred to different works in different departments. This assurance, so glamorously announced by the minister and consistently nodded to by his cabinet colleagues, brought many a vote at the testing time on June 27.

Now let us look for a moment at this shelf of public works. Perhaps those works were shelved so solidly they have not been able to bring them out yet. As we look across the country we find a great many people now unemployed. The latest statistics give the total as something over 400,000, and I would say a later count would show that this total has now reached more than 500,000. But even at 400,000, the figure we were given a few days ago, why were not these public projects brought out, if they were real, in order to relieve that unemployment? Today many people are in desperate circumstances. I know that in several communities from which I have heard unemployment is so great that many people are almost facing starvation. Yet the government refrains from putting into effect this shelf of public works that were promised before the election. A short time ago I read an address by the right hon. Prime Minister (Mr. St. Laurent) himself to the chamber of commerce of Montreal, I believe, in which he was reported as having said that the government was expecting and depending upon private enterprise to supply employment to the Canadian people.

He was further quoted as saying that the shelves of public works were not intended for that purpose, only under conditions and circumstances named by the government. So to all intents and purposes this was just a June 27 promise; and it did bring results. In all my memory, Mr. Speaker, going back over

many years in political life, I must say I do not think there was ever an administration that entertained such callous disregard for truth before an election and such utter contempt for promises made after an election as the government now surrounding the Prime Minister.

Let us look a little further at some of the government's election promises. Mine is an agricultural province, and as a member representing Prince Edward Island I take pride in the fact that nowhere in all Canada will you find more skilful or more scientific or more productive use made of the land than in that province. Nor have we stopped at farming the land alone. In our rich Malpeque oyster beds we even farm the bottom of the sea. I believe not only the maritime provinces but also the rest of Canada can take a lesson in farming and producing from the soil of that little province of Prince Edward Island.

This government promised our farmers markets for butter, cheese, eggs, poultry, bacon and potatoes, as well as other things. Last spring before the election, when there was a surplus of potatoes, the government purchased all the potatoes the farmers had in the bins at 69 cents per bushel. A farmer could then use those potatoes for feed purposes, or if he chose he could dump them on the compost heap. This created the impression, in fact the promise was made, that the government would see that the farmers were protected this year on the price of surplus potatoes. Have they done so? Not as yet, nor does the problem seem to be anywhere near settled. Delegation after delegation waits on the Minister of Agriculture (Mr. Gardiner), to see if some assistance can be secured.

Let me look at another government promise. Before the election of June 27, the aged people across Canada were promised old age pensions without a means test. Was that promise kept? No. Furthermore, to the men who were retired on small pensions, such as the men who had been working on the railway and were retired on an allowance of $27, $30, $40 or even $50 per month, the promise was held out that they would be able to secure the old age pension without a means test. Nothing has been done about implementing that promise, and it looks as if nothing will be done.

I should like to consider further this question of unemployment. Unemployment is growing everywhere, and it is becoming more difficult all the time to keep it under control. Even in the small province from which I come, there is a great deal of unemployment. It has reached such proportions that the mayor of Charlottetown issued a proclamation to all citizens requesting their assistance in a jobs campaign, in an effort to overcome the growing number of unemployed who are daily seeking food and lodging. It is difficult to have to mention these things which are happening in your own constituency, but I am mentioning facts. If some of these promises had been fulfilled, especially those concerning public works, the city of Charlottetown would not have half the unemployment it has today.

Speaking about public works, I may say that the city of Charlottetown certainly needs public works. For the last three or four years, we have been promised a public building to house all the dominion offices and the post office. Although it has been promised for three years, it is difficult to get a statement about that public building. Even the site of it has not been fully established. The land owners and tenants, who have been ordered to vacate their premises by April 1, are wondering what the public works department is going to do. Many of these people have not had their properties appraised, nor have they been paid for them. I believe this is something that the Minister of Public Works (Mr. Fournier) should attend to immediately. I hope he will not keep these things a secret. I should like to know how many of these land owners have had their properties appraised, whether they are going to be paid for them, or whether the government is going to walk in and take the land, then make a settlement afterwards. I believe this house, and the people of Prince Edward Island, should have a statement from the Minister of Public Works as to when construction of the building will be commenced. In the interests of solving the unemployment problem, construction should be begun immediately.

There are other matters with which I should like to deal. For instance, the city of Charlottetown has been promised harbour improvements for years. The Andrew Rae Duncan commission strongly recommended these harbour improvements. Perhaps the Minister of Public Works will say that certain improvements are being made. I will admit that some money has been voted for the last two or three years for improvements to the shipping sheds on the marine and railway wharf. Apart from that, these promised harbour improvements have been dangled before us. One harbour improvement which would create a great deal of employment is the building of a marine railway slip. This was definitely promised by all parties as far back as 1911.

In 1911, the Conservative party promised to build a drydock, or marine railway slip as it is probably called now. When the Borden government came into power, it immediately started to fulfil its promises. The main one

was the Borden-Tormentine ferry that was there promised and they fulfilled it, giving us the first real communication we had with the mainland, even if we had gone in under terms for proper transportation in 1873. Besides this, the Borden government went to work and purchased a shore property on which to build a marine railway slip, or, call it what you will, a place for making repairs to our steamers. What happened? They bought the property. They let the contract for the machinery to firms in Liverpool in England, but the war broke out and this matter was left dangling again until 1921 when it was again raised as a promise to the city of Charlottetown that a marine railway slip would be built.

There is the work there for a slip. We have our own boats that always have to be repaired. For instance, this railway slip should be built to take care of all the boats in the service for the province of Prince Edward Island; it should be built to accommodate all our ships. Here are a few of them that are in the government service: the *Brant*, the *Sorel*, the *Prince Nova*, the *Charles A. Dunning*, the *Prince Edward Island*, and the S.S. *Abegweit*. In addition to these there are all the small ferry boats running between various points on the island, as well as the tugs and dredges. If we had a proper marine railway slip repairs to these boats would give employment to 200 or probably 250 men the year round right in the city of Charlottetown alone. We have the mechanics and the machine shops that can do all this work. But where does it go? Every particle of it is taken away from our province; as is said, we cannot work below the water line. Where does it go? It goes to Pictou, Halifax, Saint John and Sorel; thousands and thousands of dollars' worth of work is going away that should be available for the employment of our own labourers in the province of Prince Edward Island. In addition there is the danger entailed in taking these boats on the trip up to Sorel or even to Saint John or Halifax. In 1941 we lost the S.S. *Charlottetown* when she was on a trip up to Saint John, I think it was, for the purpose of overhaul. We should have from this government some assurance as to whether they are going to endeavour in any way to fulfil the promises made during the last election campaign and for years before that.

A little while ago I said it was difficult to get information on any subject dealing with matters in our province. From time to time I have had my difficulties with regard to particular matters concerning our own constituency. I want to cite one of them which occurred here a few days ago. On March 6 I directed to the Minister of Transport (Mr. Chevrier) a question which was as follows, as reported at page 467 of *Hansard*:

> I should like to direct a question to the Minister of Transport. Has the Canadian National Railways made a general proposal to all the other provinces similar to that which has been made to the government of the province of Prince Edward Island, namely, to take over all the highway bus and truck services, and to place them under the control of the board of transport commissioners.

Here is the answer I received from the minister:

> That is quite an order. I have had no advance notice of the question, but I may tell my hon. friend that I am not aware of any such movement. In any event I am sure that the Canadian National Railways, or for that matter the federal government, would have no jurisdiction over provincial highways on Prince Edward Island, and over one or two of the other matters which my hon. friend mentioned in his question. That is about the only information I can give him at this time.

The minister's answer was really a surprise to me when he stated that he was unaware of any such matters going on between the government of one province and the Canadian National Railways of the dominion. Surely the minister should be aware of what is taking place in connection with the Canadian National Railways transport matters. With your permission, Mr. Speaker, I should now like to give him a little bit of information, as follows. Negotiations had been going on for a long time between the Canadian National Railways and the province of Prince Edward Island. As a matter of fact, the railways presented a brief; and in that brief they outlined all that they were willing to do and what they wanted to procure for themselves in this swap. We all know, of course, that the whole question would be one of jurisdiction unless it could be amicably agreed to between the parties. However, whatever the board of transport commissioners and the public utilities commission decided upon would be all that was required to have this highway traffic system established. The government of Prince Edward Island were so much at sea with regard to this railways' brief that was presented that they could not come to a conclusion. They did not feel like accepting, and neither did they feel like rejecting, the proposals of the Canadian National Railways for them to get co-ordination of the bus, truck and railway services all under the Canadian National Railways management in that province.

Before the railways' brief was presented, and it is dated February 15, a great deal had transpired by letter and conversation; because on February 22 the Prince Edward Island

government stated in a letter to the vice-president and general manager of the Canadian National Railways at Moncton as follows:

Please accept for yourself and convey to Mr. F. A. Gaffney our appreciation for the lucid presentation of proposals contained in your letter of February 15, and for the exceedingly clear and forceful manner in which the same was presented verbally on February 8 and 9.

I have before me a clipping with reference to the whole matter giving the full details and the full brief of the Canadian National Railways. It is too long to read, but I shall be glad to send it over to the minister. Then I should like to have my question really answered, and the question is this.

Has the Canadian National Railways made a general proposal to all the other provinces similar to that which has been made to the government of the province of Prince Edward Island?

If they have, and if the governments of the different provinces were to accept it, the Canadian National Railways would be in absolute control of all transportation not only in and out of the province but in control of all transportation and the highways of the province. There must be something in it or they would not have gone to such detail in making up such a long brief.

I should now like to touch a little on transportation. To a province like Prince Edward Island, which is largely agricultural, transportation is without doubt the most important problem. I have endeavoured to emphasize that on the floor of the house several times since 1945. We have grappled with all the governments to see if we could not get the promises of confederation properly fulfilled. We have argued with them; we have tried different ways. So far we have had a certain amount of success. That success was accorded to us by the Borden government when they inaugurated the Borden-Tormentine ferry system.

For a few minutes I should like to give a little information regarding a second ferry system that we have in Prince Edward Island, and which has been in operation during the summer months, namely, the Northumberland ferry service from Wood Islands to Caribou, known as the Wood Islands-Caribou ferry service. Before the last war private enterprise took up this matter and established the ferry boats. At that time a great many people thought that private enterprise was making a mistake. Public works helped them build their docks for docking, and gave them some other assistance. The government also gave them a subsidy. That system has now grown to such an extent that the Canadian National Railways, and perhaps the government as well, are anxious to get control over it. The Northumberland ferry was first brought to the attention of the Canadian National Railways when they had to reduce their fares on the Borden ferry to compete with the Northumberland ferry. The idea is to get control, and it was rumoured for quite some time that that was what was going on. I asked a question with reference to it. There must have been something in the rumour. I could deal with it if I had a little more time.

When the Northumberland ferries were making their contract with the government they had written into the contract what the fare would be, and the farmers knew what they would have to pay for their produce being trucked across by this ferry.

Another part of Prince Edward Island which was promised a ferry, and which should have it, is the West Point-Buctouche area. This was one of the live issues during the last election campaign; but since then, like many others, it has been thrown into the discard. The farmers up there seem still anxious to have that ferry system.

As I said a moment ago, transportation to our province is the greatest problem, and the most important one that we have. I want to put on record the growth and development of the Wood Islands-Caribou ferry. It was stated when they started that they would not carry a thousand cars. Last year 67,000 passengers were carried from the first of May to the first of November, which is the period they run. During that time they carried 16,000 automobiles and over 5,000 commercial trucks. This will show hon. members why we have the rumours that the Canadian National Railways, or some governing body, want to get hold of this ferry, even if there is no railway line running to either terminal. It has already been said that if the government or the Canadian National Railways take over this ferry they will put on a boat that will be 50 per cent larger than the present largest boat there. That might be looked upon as quite a promise. Why do I say that? I say that because the *Charles A. Dunning*, one of the larger boats that we have there, draws too much water at certain times. We had extreme difficulty in getting the Minister of Public Works to dredge the harbour further so that she could dock properly. There seems to be some underlying principle or motive in the whole thing, which is to get absolute control of our ferry system and of our transportation system on Prince Edward Island.

Mr. Deputy Speaker: I am sorry to interrupt the hon. gentleman, but he has exhausted his time.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is it the unanimous wish of the house that the hon. gentleman shall continue?

Some hon. Members: Agreed.

Mr. McLure: I do not want to impose on the generosity of the house. I shall deal with just one item. On Wednesday last I was anxious to ask a question of the Minister of Transport. I hesitated quite a while because it had to do with reefer cars. I want to explain why I asked the question. The question was as follows, as reported at page 564 of *Hansard:*

> Will the minister advise, instruct and demand that the Canadian National Railways provide reefer cars for the shipment of potatoes and turnips from Prince Edward Island? The shortage of reefer cars at the present time is the greatest they have experienced in years.

The minister answered in this way, as reported at page 586 of *Hansard*:

> I should like to deal with a question asked yesterday by the hon. member for Queens. It had to do with the supply of reefer cars and part of it was to this effect.

Then he read the question I asked. Following that he said:

> I promised the hon. member that I would get a report from the Canadian National Railways. I am advised by them today that there are 454 reefer cars on hand or in transit for Prince Edward Island traffic.

They might have been five thousand miles away and still have been in transit.

> This total is made up as follows:
>
> | | |
> |---|---|
> | Cars on P.E.I. | 292 |
> | In transit at Cape Tormentine | 43 |
> | Moncton | 30 |
> | Truro | 22 |
> | Campbellton | 22 |
> | Monk | 45 |
> | Total | 454 |
>
> Officers of the Canadian National Railways report that a satisfactory position as to reefer cars is considered to be around 300. When it exceeds this figure there is danger of transportation difficulties arising in connection with the movement of the cars. Therefore my hon. friend can see that there is no shortage of cars. On the contrary, the situation is a good one.

May I say in closing that the onus was placed upon my shoulders when it was suggested that I had given wrong information and did not have the facts of the case. However, while at that time I did not reply, I knew I had the correct information, and really felt sorry that the minister had been so misinformed, or that he had received the wrong information from someone.

Since that time the minister has received the real information, and now he realizes, whether he wishes to admit it or not, that I was correct. The greatest shortage of reefer cars that ever existed at this season of the year is there at the present time.

Mr. Chevrier: I cannot allow that statement to go unchallenged.

Mr. McLure: You will have an opportunity as soon as I am through. I shall only take a moment.

Mr. Chevrier: If the hon. member would allow me: I said I could not allow that statement to go unchallenged. The statement I put on the record included figures and facts given to me by the Canadian National Railways. I believe them to be correct. They have informed me that there is no shortage of reefer cars on the island. I have to accept that statement, and I think the hon. member should, too.

Mr. Gibson: It is a good story, anyway.

Mr. McLure: The minister would have to accept it, too, were it not for the protests from the potato and turnip marketing association. I believe they wired him, and they sent me a copy of the wire. I believe I have here the reply the minister sent to them, in which he admitted that he did not realize the conditions were so bad.

Mr. Chevrier: I made no admission in the telegram.

Mr. McLure: Perhaps I had better read it.

Mr. Gibson: What paper are you quoting from?

Some hon. Members: Time.

Mr. Deputy Speaker: Order. I am sorry to interrupt, but the hon. member's time has expired.

Mr. Chevrier: Let him finish his speech.

Mr. Deputy Speaker: Has the hon. member unanimous consent?

Some hon. Members: Agreed.

Mr. McLure: Thank you, gentlemen. This is the minister's reply to the potato and turnip marketing association:

> Re your telegram. Am unable to understand situation described. Canadian National assures me supply refrigerator cars reasonable and that they will have no difficulty in moving the balance of the crop. Any empty refrigerator cars are being sent from central regions to take care needs in maritime provinces. Would appreciate receiving any additional information which you may have.

They proceed, then, to give this information which, I believe, was sent by letter. They say that at the present time it would take 2,000 reefer cars to move the crop that is there ready to be moved. While the price is not good, yet they do not want to see the supply destroyed. As one of the biggest

shippers said, it would take 50 cars every day for the next 40 days to clean up the freight that is there ready to be transported.

I did not wish to bring this matter up, but any time I have spoken with reference to reefer cars it was always, as I thought, in the interests of the Minister of Transport (Mr. Chevrier), the railway and the people of Prince Edward Island. No man can ever prove against me that I would ever place on record any figures referring to this situation which were not founded on the best possible facts. I hope this matter will be cleaned up and that our people will have made available to them sufficient cars to move the potatoes and turnips still unsold.

(Translation):

Mr. David Gourd (Chapleau): Mr. Speaker, allow me to congratulate you on the flawless way in which you carried out your high responsibilities throughout the second session of 1949. I also wish to congratulate the Prime Minister (Mr. St. Laurent) and his colleagues on the choice they have made in selecting Mr. Larson and Mr. Dumas as mover and seconder of the address.

I also wish to take this opportunity to extend my congratulations to the hon. member for Kindersley, the mover of the address in reply to the speech from the throne, as well as to my good friend, the member for Villeneuve, whose constituency is next to mine. He brought out all the most interesting and important points concerning his county and northern Quebec. He certainly deserved the honour which has fallen to him. I am also extremely pleased to congratulate him on having been elected with such an overwhelming majority as the representative of this new and beautiful county of Villeneuve which so proudly bears the name of the illustrious late prelate. The Liberal party is fortunate in having men of his stamp, who work for the development of our beautiful country.

Mr. Speaker, I now wish to deal with a subject very dear to my heart, namely the county of Chapleau, which I have the honour to represent and which is one of Canada's wealthiest districts as far as agriculture, mining and lumbering industries are concerned. In connection with agriculture, I pointed out in my first speech in this house, in 1945, that in 1944 we had harvested, in the Abitibi district, $25,150 worth of wheat, $472,540 worth of oats, $31,680 worth of barley and $2,261,500 worth of hay, not to mention thousands of dollars worth of buckwheat, rye, peas, beans and mixed grain. Moreover, our potato crop amounted to $587,820, which does not include the returns from alfalfa, turnips and corn. For that reason, I beg the Department of Agriculture to assist as much as possible this new part of the country through grants for cold storage and drainage. The Kapuskasing experimental farm being quite remote, the district should have enough agronomists to establish demonstration farms in every parish. Needless to say, a promoter specially attached to our district would be quite welcome.

I also emphasized, in another speech I made in 1946, the importance of the mines located in the northern part of the province of Quebec and I mentioned the mining of such metals as gold, copper, etc. Here are the figures I gave: the yield in gold was $32 million, and in copper, $22 million, these amounts being exclusive of all other minerals. I then added that in the best interests of our national economy, the government should continue providing assistance to mines.

During the same speech I also said that we had exported 100 million feet of cord wood as well as millions of cords of pulpwood. Since there are such abundant natural resources in my constituency, they should be developed. First, the railroad between Barraute and Beattyville, which follows exactly the same gold mining zone and so forth, should be extended to Bachelor lake and later to Chibougamou. At present, several mining companies cannot work their mines due to a lack of transport facilities. I therefore appeal more particularly to the Canadian National Railways to examine further all the requests sent me by public bodies, such as municipalities, chambers of commerce and the economic planning council, which all show the urgent need for building this railroad immediately. As I already said in a speech I made in 1949, would it not be fair that Quebec should secure from the federal government the funds required to build, within the province, a section of the trans-Canada highway proportionate to those in other provinces? I said that the present highway, leaving the Manitoba boundary at 35 miles from Kenora and passing through Fort William, Kapuskasing and Ottawa, is 1,390 miles long. I would also point out that the highway from Point Fortune in the province of Quebec to the New Brunswick boundary, near Edmundston, covers a

distance of 388 miles. That means that it is located in Ontario to the extent of 75 per cent. If my proposal were carried out, the road starting at Kenora would still pass through Fort William, Hearst, Kapuskasing and Cochrane. It would cover a distance of 894 miles in Ontario. From Cochrane, it would head for La Reine in the province of Quebec and thence through La Sarre, Mont Laurier, Montreal and so on until it reached the New Brunswick boundary. The highway would then cover a distance of 828 miles in the province of Quebec, which would seem fair to both provinces. This alternative would also make the distance from the western provinces and northern Ontario to Ottawa, Montreal and Quebec 56 miles shorter. I do not see why the Ontario government does not build a road over the mere forty miles between Norembega and La Reine. This has been long requested by the boards of trade, and I know whereof I speak because I have been chairman of the Amos board of trade.

A short while ago, I organized a delegation of some of my constituents to meet northern Ontario boards of trade, M.P.'s and M.P.P.'s and get them to keep on exerting pressure on the government of Ontario and urge it to carry this road as far as the Quebec boundary, at La Reine. This connection means a great deal to us all, for it would help strengthen the ties of good will between the two provinces.

To these suggestions, may I be permitted to add another very important one. It is about unemployment. We feel it a little, as everyone knows. Would it not be possible to reach an agreement with the government of Quebec to help colonization by building new roads to the north, as far as lake Mistassini and Mattagami? In addition, this would be a good way to check unemployment. Colonization would be the first to profit by the roads that would lead towards new land and I am sure that with the assistance given to settlers by the Quebec government, the unemployed in question would all take advantage of such developments to go and settle in these parts.

If I have spoken of my constituency and of its natural wealth as represented by agriculture, mines and forests, and if moreover I have taken the liberty of requesting your aid in developing it, it is because I earnestly wish for the progress of my constituency, that is to say, for that of my own country.

[Mr. Gourd (Chapleau).]

(Text):

Mr. E. W. George (Westmorland): Mr. Speaker, I wish to join those who have preceded me in this debate and congratulate the mover (Mr. Larson) and the seconder (Mr. Dumas). Their constituents must feel justly proud of their representatives in this house. I do not propose to tell the house all about the constituency which I have the honour to represent as that would take too long. However, I do intend to present to hon. members an idea which, if it turns out to be sound, as some of us think it is, will help to solve the present unsatisfactory economic condition of the maritimes. I believe this is the first time this project has been discussed in public.

In my opinion the maritime provinces are the best place in the world to live in, but we lack some of the economic advantages enjoyed by other parts of Canada. We complain because we have not enough industry and were not allotted enough industry during the war. The reason has always been given that we have not enough power. We have plenty of coal but not enough electricity. I am sure that everyone in this house is willing to help the maritimes and we have been told many times to present our problem and we would have all the assistance we needed in arriving at a solution.

I believe the solution has been found. It is called the St. Mary's tidal project which it is claimed will develop a maximum of 2,336,250 horsepower. This development would take place in the counties of Westmorland and Albert in New Brunswick, and Cumberland in Nova Scotia. I should like to take this opportunity to pay my respects to the hon. member for Cumberland (Mr. Black), who returned to the house this afternoon, and to wish him the best of health for the remainder of the session.

If this project were completed the Chignecto canal could not be built over the proposed route for reasons which I shall give later. I do not wish it to appear that I am trying to prevent the building of the Chignecto canal and the development of hydroelectric power at that site; I am suggesting an alternative plan which would provide for a canal and the development of two and a third million horsepower as compared with the 135,000 horsepower that would be developed under the proposed Chignecto plan. If this plan is adopted much credit will go to the Chignecto canal committee which has done so much to mould public opinion into realizing the need for some such plan.

The St. Mary's tidal project is the brain child of Mr. W. A. S. Melanson, C.E., M.E.I.C.,

of Moncton, New Brunswick, and is the result of many long years of study and work. He is to be congratulated upon his vision. Not every possible site for tidal power development has been investigated, and the remarks which follow will deserve the attention of all persons interested in the welfare of the maritimes. The study of any tidal power development in the maritimes could not be justly undertaken without reference to and a review of the report on tidal power, Petitcodiac and Memramcook estuaries, as published by the department of mines and resources, Canada, 1945, part 1—test, and part 2—plans, disclosing full results and findings of the field investigations carried out from August, 1944, to October, 1945, by the firm of H. G. Acres and Company, consulting engineers, Niagara Falls, Ontario.

Unfortunately the adverse findings of this report from an economical standpoint have prejudiced public opinion to such a degree that too few have bothered to read it in full. It is doubtful if our men of letters or science, either within or without our institutions of higher learning, have given this all-important subject of maritime welfare the study it most assuredly deserves. Notwithstanding this seeming prejudice, this report contains concise, terse treatises on tides peculiar to the bay of Fundy and its tributaries; on the astronomical effects of the moon and sun in their various phases on the tides; on rock-fill dam construction on unstable foundations; on inlet and outlet gate structures; on various types of hydraulic turbines and their selection; on electric generators with power house and transformer station design. All these subjects, with many others, are interwoven into a mass of finite scientific information, permitting a proper step by step design of each and every structure embodied in such a large development.

The economic feasibility of the entire project was defeated by two adverse physical features of the site. These were, first, the existence of 80 feet of silt, mud and gravel in the beds of both estuaries; second, the great difference in the relative size of the two estuaries. I will not go farther into the reasons why the Petitcodiac tidal project was unsound, except to say that if it could have been built on a more favourable site a saving of nearly half the estimated cost could have been made.

Situated ten miles from the Petitcodiac-Memramcook estuaries, there exists the confluence of the Shepody bay and Cumberland basin at the head of Chignecto bay. These two relatively large estuaries are separated by the rock-bound Maringouin peninsula that terminates in a low headland at cape Maringouin, which juts out westerly a distance of one mile into Shepody bay. Here Shepody bay, with its tributaries covering an area of 70 square miles, and Cumberland basin, with its tributaries covering an area of 60 square miles, are separated by the narrow cape Maringouin. It is proposed to construct two barriers, one from the westerly side of cape Maringouin across Shepody bay to join with the rock masses of Grindstone island and St. Mary's point, and the other from the easterly side of cape Maringouin to Ragged point on the Nova Scotia shore.

Of the many physical features of the existing rock masses that would enter into the general scheme of this proposal, the greatest and most advantageous is the present rock formation of St. Mary's point. Jutting out from the mainland at Harvey bank, Albert county, there is a peninsula of rock formation that extends in an easterly direction to St. Mary's point. It then crosses St. Mary's ledge, St. Mary's anchorage, Grindstone ledge and Grindstone island, the outer tip of which was at one time the original St. Mary's point. The height or elevation of the St. Mary's and Grindstone ledges are just below mean sea level and therefore would permit the economic construction of a large number of inlet gates. St. Mary's anchorage or Grindstone island would be ideal for the construction of a navigation lock to permit ship passage at all times. The length of the St. Mary's peninsula is 3 miles, a little over half the distance across the mouth of Shepody bay. These facts explain the origin of the title given to this proposed tidal power. The outlet gates, power house and additional inlet gates would be located at or near the south end of the Maringouin peninsula, a very central location for the distribution of power to the entire maritime provinces.

British admiralty chart No. 354 indicates the existence of the rock formation in the bed of Shepody bay at an average depth of eight fathoms below chart datum, while across the upper portion of Chignecto bay the rock formation is indicated at an average depth of five fathoms below chart datum. Very little mud or silt is indicated except on the south side of Maringouin peninsula, where there exists a body of mud. However, this is a decided asset as it will be required to make the core of the Cumberland basin dam. Mud for the Shepody barrier can be obtained from the Shepody or New Horton flats. Therefore, drilling and testing for foundations are not necessary, as not one iota of doubt exists about the rock formations.

The question of choosing either the Cumberland or the Shepody basin for the high and

low water basins has been given careful consideration from all economical and practical angles. These are as follows:

1. The rock formation across the mouth of the Cumberland basin is just at the proper elevation for the most economical construction of outlet gates.

2. The southeast side of the Maringouin peninsula is the only practical location for the power house.

3. A rock-fill dam with mud core is the only economical manner of erecting a barrier across the mouth of Shepody bay.

4. The head channel can be cheaply excavated across cape Maringouin and rock used in the rock-fill dam across Shepody bay and part of Cumberland basin and permit construction of a series of inlet gates near the power house.

5. The St. Mary's rock formation permits very economical construction of inlet gates, of which there must be a large number.

6. Along the shores of Cumberland basin and its tributaries there exists the bulk of the marshlands in the maritimes, estimated to contain 40,000 acres. Using Cumberland as a low level basin will reclaim all marshlands and will forever do away with the necessity for dikes and aboiteaux. It will thereby save the federal government, the provincial government and the farmers the high cost of reclamation.

7. The existence of a large gypsum processing plant at Hillsborough, working twenty-four hours a day, with United States markets, depends in large part on water transportation for their supplies to reach the market. Also the proposed construction of a fertilizer plant at Weldon will require water transportation.

8. Of the two basins, Shepody bay is recognized as the one taking precedence in volume of navigation.

Shepody bay has therefore been proposed as the head basin and the Cumberland basin as the low water basin. The designation of the Cumberland basin as the low water basin for economic reasons will somewhat alter the proposed scheme of a canal across the isthmus. However, this proposed power development is so vast and will be so beneficial to the entire maritimes that the greatest benefit to the greatest number must be our guiding spirit.

Much praise and credit is due to the Chignecto canal committee, to the group of businessmen and to the newspapers that so nobly supported them in their struggle to make the maritimes and Canada conscious of the necessity of the navigation canal. Mr. R. Herbert Cooper, who saw the possibilities of the development of power along with the canal benefits, is deserving of much praise. His scheme is practical and contains much merit. The use of Cumberland basin as a tail race basin in a big tidal power development will not diminish the necessity for a Chignecto canal; it will rather enhance its cause.

Out of the Shepody basin there are two or three possible routes. All proposed routes have merits and some demerits, but ultimately would join the waters of the Petitcodiac river with Shediac harbour. There is one route that possesses many natural features. Along this route the distance from Moncton harbour to Shediac harbour is 15 miles. This route would reduce the distance between the bay of Fundy points and upper Canada by approximately 75 miles over the proposed route across the Chignecto isthmus.

The tidal factors which make the development of power possible are long and detailed. I will not go into them. I have here the data on Fundy tides and the possible power development; and with the permission of the house I should like to place it on *Hansard*.

Mr. Deputy Speaker: Has the hon. member the unanimous consent of the house to put this material on *Hansard*?

Mr. Knowles: Is it tables and figures?

Mr. George: Yes, and it will be very unintelligible if I read it. It will be very interesting reading.

Some hon. Members: Agreed.

(*See page 724.*)

Mr. George: From the information available, it would appear that Mr. Melanson's project is workable. It is estimated that the cost will be in the vicinity of $190 per commercial horsepower. This compares favourably with present-day construction, which is from $200 to $250 per horsepower. I do not feel that the capital cost is as important as the operating cost. If the operating costs and upkeep are nominal, and we can get this vast supply of cheap power, then the expenditure would be justified.

The federal government is spending large sums of money protecting approximately 40,000 acres of marshland from the sea. The building of this project would protect the lands in the Cumberland basin area, and would save several millions of dollars which are required to reclaim these lands. There would be no more maintenance on dikes and aboiteaux.

In the Petitcodiac river area the water level might be above the marshlands. In this case, I am told on good authority that there would be no problem in draining the land by the use of pumps as in Holland. There should be sufficient cheap power available for that purpose. The other alternative would be to buy the land and let it out to sea.

I have great faith in the future of the maritimes. We are gradually turning from a wood economy to an agricultural economy. The forests have been depleted faster than reforestation has taken place. We are building for the future, and in a hundred years the world will need all the food it can produce. In order to prosper in the maritimes we must have industry, and industry must have an abundance of cheap power; I am sure there would be a ready sale for all that can be produced. I sincerely hope that the government will see its way clear to start a survey of this project immediately. I might suggest two phases of this study. First, a review of the H. G. Acres report, as applied to the St. Mary's idea; second, an actual engineering report on the St. Mary's project.

Another good reason, Mr. Speaker, for doing something about the project appears in a press release in the Moncton *Daily Times*, under date of March 10, 1950. It is headed, "Opposed to Quoddy bill," and reads as follows:

> The budget bureau informed congress today President Truman opposes a pending bill to establish the Passamaquoddy tidal-power project.

If we needed any more reason, Mr. Speaker, I think we have it right there.

I am not asking for this because it is a part of our maritime rights. I feel that we have heard too much about that. I ask for it because we are part of Canada, and because all our natural resources should be developed in order that we may continue to play our part in contributing to the prosperity of the dominion.

(Translation):

Mr. J. O. Gour (Russell): Like most hon. members who spoke before me, I am pleased to congratulate the mover of the address to His Excellency the Governor General, the hon. member for Kindersley (Mr. Larson) and the hon. member for Villeneuve (Mr. Dumas), the seconder, for the manner in which both fulfilled their task.

I also take this opportunity to congratulate Mr. Speaker—who is not here right now—and his assistants who have presided with fairness over the debates. I also wish to congratulate my colleagues for their courtesy to the members of the opposition, and for being so kind to them although I feel sometimes they are much given to exaggeration. However, I do not envy their fate for there is every indication that the Liberal party will be in office for many years.

Divine Providence protects us by giving us men as talented as our Prime Minister, the Right Hon. Louis St. Laurent.

I thank the Minister of Agriculture (Mr. Gardiner)—who I am happy to see at his desk—and all the members of the cabinet for the support prices on agricultural products such as bacon, butter, cheese, eggs and so forth.

I have the honour of representing a constituency both urban and rural in character. I know that in Russell, thousands of farmers are very thankful to the government for this help. Several farmers of my constituency own herds of more than fifty milk cows, market each year from 200 to 300 hogs, and keep flocks numbering 7,000 to 8,000 hens, which they raise for the sale of eggs and poultry.

The dairy cattle of our county have been tuberculin tested for more than twenty years. Last year, my constituency obtained the best results in Ontario. As a result our cattle find a large number of purchasers, especially in the United States; this enables our farmers to breed cattle on a large scale and get satisfactory prices for their herds. They are less concerned with the high price of their products than with their net earnings with which they are supposed to live decently on the farm.

Like myself, farmers feel that the price of what they buy is too high. That also goes for the cost of living for our urban population, particularly of the workers.

I have the honour of including in my constituency one of the most prosperous towns in Canada. I refer to Eastview where an extremely up-to-date high school, a community centre, a hospital and other buildings indicative of its increasing importance are now seen beside other great institutions.

My riding includes many other localities of note, for instance Manor Park, an attractive village which is but three years old; Rockcliffe, where the most important airport for national defence is located; Overbrook and Billings Bridge, blessed by the fact that the diocesan seminary is built in the vicinity; Billings Bridge, moreover, connects with Uplands, one of the most important points for commercial air transportation. Finally, there are many other small towns inhabited by wage earners all of whom agree in hoping for a lower cost of living.

In my opinion manufacturers should be content with a smaller profit and undertake to compete on world markets. I think their profits are inordinately large and their prices too high. Farm implements, motorcars,

ranges, refrigerators, furniture, textiles, lumber, plumbing and shoes are all too dear by 10 to 20 per cent.

If they cut down their prices, manufacturers would increase sales and enable farmers and small wage earners a better chance to buy more of those goods. This would compel them to increase production, which would entail an increase in manpower and would thus stem unemployment.

I can hear hon. members opposite deplore the loss of our markets and the ridiculous prices obtained for our produce. Let me remind them, however, of the years of 1930 to 1935, when our farmers were selling 200 pound hogs for $7 to $8, shipping prepaid, cattle weighing from 1,000 to 1,200 pounds for $12 to $15, shipping also prepaid, while the present government pays a premium or subsidy of $8 on a two hundred pound hog, grade A select, for export, which now brings the farmer from $40 to $50. An animal weighing from 1,000 to 1,200 pounds now sells for $125 to $150, that is ten times more than in 1942.

If I am not mistaken, one or two local agreements are made by two or more persons, while international agreements are made by two or more governments. Here, therefore, is the first rule. It is the price that counts. We have proof of that. We gave billions to Great Britain. I voted in favour of that bill myself; we did more than anybody in the world to help other nations out of their predicaments and we are still willing to do so. When the time comes to arrive at an agreement, the only thing that counts is the price of the goods. After all, that is only natural; that is the human way of looking at things!

All agree that we are one of the most skilful nations; then we can produce so as to meet the prices of the other honest competitors without lowering our present standard of living.

I would point out that people should spend less money on alcoholic beverages because, first, alcohol degrades the soul and too often takes up a considerable part of the essential income of large families. The same thing applies to many forms of entertainment which are far from being necessary to the welfare of our people.

Mr. Speaker, I believe I have given a suggestion which could prevent unemployment; I now wish to suggest another way of going about it. Since the government of the beautiful province of Ontario, in which I live, does nothing to help the farmers I feel compelled to request more from the federal government. I would therefore request the Minister of Finance (Mr. Abbott)—he is not here but I trust that he will read my speech, which I have already mentioned to him—as well as the Minister of Agriculture to improve farm loans. Let me give an example. A hundred acre farm with good buildings warrants a loan of about $4,000. How can a farmer set up his sons or how can a young man try to set himself up on a farm with such a small amount? First, it costs about $4,000 to get an average herd of cattle and the equipment necessary to operate this farm, not considering the $10,000 to $12,000 required for the farm itself. If this farmhouse were built in a city, a loan of $4,000 or more could easily be secured. I therefore maintain and assert that the farm loan is not practical for our farmers.

More than half the farmers of my district did not apply because they feel it is useless. According to information I have from reliable sources, approximately half of the applications for farm loans were turned down during 1949-50 in Ontario.

I have also a request to make to the Minister of Transport (Mr. Chevrier) and to the Minister of Public Works (Mr. Fournier). I have here a plan in connection with the Nation river project, and works already carried out by the Ontario government. I am pleased to congratulate our provincial government for this well-balanced plan. I could submit a copy to each of the ministers concerned. I would now like to read a few lines showing clearly the importance of this plan. I would then ask the house that it be put on record.

(Text):

The south Nation watershed is an area of 1,511 square miles in the extreme easterly part of Ontario, and includes parts of the counties of Prescott, Russell, Dundas, Stormont, Glengarry, Carleton and Grenville.

From southwest to northeast, the watershed extends about 76 miles in a direct line, and its greatest width, from northwest to southeast, is about 35 miles. From the source of the area of the main river to its mouth is a distance of 69 miles, in a direct line.

There are no cities or large towns on the watershed; but there are a number of incorporated villages, including Winchester, with a population of 1,094; Chesterville, 1,241; Casselman, 1,089; Finch, 390; and Maxville, 812. In addition there are a few villages, which have not been incorporated, the largest of which are as follows: Spencerville, South Mountain, Crysler, Metcalfe, Moose Creek, Limoges, Russell and Bourget.

From the above, it will be seen that the watershed, by and large, is essentially a rural area of Ontario.

(Translation):

This plan consists in carrying out excavation and damming, which are most urgent and necessary since they would be extremely useful to the people who live in a dozen municipalities: Matilda, Mounta, Winchester, Edwardsburg, Augusta, Finch, Cambridge, Plantagenet South, Alfred, Plantagenet North, Chesterville and Casselman. I will read another passage from the same plan, with special reference to the damaged parts.

(Text):

Floods on the south Nation watershed present a serious threat to the livelihood of the people in all the municipalities in the area, and are detrimental to the economy of all neighbouring business centres. Indeed, it is self-evident that the periodic destruction of crops, the washing out of roads and bridges and the carrying away of thousands of tons of the best top soil in any area represents an important loss to the whole province.

Unfortunately, these severe losses are not rare phenomena but, on the contrary, have occurred in twenty-six out of the thirty years in the period 1918 to 1947 inclusive. And in six of these years the Nation river overflowed its banks at least twice in the same year.

The severity of these inundations is increasing, as is attested by the 1938 and 1947 floods which were the greatest on record.

The most extensive flooding occurs in two areas: the Brinston flooded area located above Chesterville and comprising fertile lands in Winchester, Matilda and Mountain townships and the Cobb lake area, including the flats adjacent to the river from Lemieux to Plantagenet Springs.

The flood of 1938 inundated an area at Brinston of approximately 24 square miles to a maximum depth of 9 feet.

Many dwellings had two to three feet of water over their ground floors. The 1947 flood is reported to have been just about as severe.

Floods during spring freshets cause inconvenience, hardship and distress. Farmers do what they can to meet the threat: livestock and supplies are moved to upper floors or other safe locations and seeding is delayed until the spring floods are past. The duration of these floods from the time of overtopping the bank to the recession below the banks has lasted for as long as nine and one-half days.

These floods are not confined to the spring freshets but have frequently occurred after heavy summer storms. In fact, these are the most damaging as crops are either washed out completely or ruined through lying under water. It is reported that at least one farmer lost crops four years in succession through flooding.

I shall not read all this brief because I do not want to weary hon. members, but I should like to have it included in *Hansard*. I think the minister concerned should have a copy of it.

(Translation):

The project is not very costly, slightly over $2 million, and should be shared by the provincial and dominion governments. Because it will be undertaken in rural centres, municipalities are not in a position of paying any share of it. It should be remembered that elsewhere in Canada irrigation projects are financed by federal and provincial authorities. The project would prevent the flooding of thousands of acres of good arable land, as well as supplying work in urban centres, which would alleviate unemployment.

I congratulate the government for passing a reforestation act last fall. Russell has the most important nursery in Canada, the "Larose Forest". Started over 20 years ago, it covers an area of more than 15,000 acres, comprising over 6 million trees: pine, fir, spruce, maple and so forth. We intend to increase it to at least 25 million trees. That is the reason I am requesting federal aid. I practise reforestation myself, having had trees planted on my own farms.

(Text):

On my own farm I have over 200,000 trees consisting of pine, spruce, maple and so forth. It gives me great pleasure to offer each hon. member of this house and of the other place, all newspapermen and all employees of the house, a tree for next Christmas free, on condition that they pay the transportation costs.

I take this opportunity to invite everyone who would like to see that forest next May to let me know and it will give me great pleasure to accompany all hon. gentlemen who would like to go there to see it. If they do, they will see that we are doing our utmost to conserve the soil.

(Translation):

Flax is also grown on a large scale in the county of Russell. As I have the honour of being chairman of the national flax council, I take this opportunity of thanking the Minister of Agriculture (Mr. Gardiner) for what he has already done to help this industry. At the same time, I wish to ask him as well as the Minister of Trade and Commerce (Mr. Howe) to grant us the financial assistance needed for the improvement of this industry already operating in Plessisville, in the beautiful province of Quebec, where flax is carded, spun and woven. Here is a sample of the work done in Plessisville. I am happy to show it to all the members of the house.

(Text):

This is what we call flax linen. This is a flax linen done with a cheaper grade of flax, what we call tow. This is a long fibre flax and it is manufactured in my own town of Casselman. This is the work we are doing with the flax fibre that I have here. Depending on the weather, and in good soil, this fibre grows up to from 36 to 44 inches long.

(Translation):

I am in a position to show the benefits this development would mean for Canada.

If we had the factories needed to process this raw material, and to manufacture both thread and tow, at least in sufficient quantity to supply the home market, it would replace cotton and all other fibres of even less value which we have to import. This is the only fibre that can be grown in Canada and also the best in the world. At the present time we have to export 90 per cent of our raw material, both fibre and tow; we sell it at ridiculous prices and re-import it as linen, thread, etc., at exorbitant prices, often 20 to 30 times higher than we sold it. Such factories would also mean jobs for our workers and give farmers the opportunity to produce more flax. They could thus earn more money, to keep their sons on the farm, to hire workers who would help them grow this product because in order to supply only the needs of the country, we would require 400,000 to 500,000 acres of fibre flax.

An area of 1,000 acres sown with fibre flax gives jobs to 40 men, for six months, in our local factories, where flax undergoes a first treatment to extract the fibre and the seeds. This work is done from autumn to spring. This enables farmers' sons and local workers to find work during slack periods in rural centres. In my locality, we give employment to a great many men who would be without a job this winter.

The reason why I would like to get financial aid from the federal government and why I insist upon such help is that flax is produced in several provinces. I would like to see flax grown in every province, since flax gives good crops in fertile soil.

(Text):

Certified No. 1; germination, 96; variety, dominion. This group of farmers is a co-operative. I was for many years chairman and manager, but ceased my operations as manager when I was elected to the House of Commons. It was one of the finest ridings in Canada.

(Translation):

Everything in this plant in useful, seed grain, linseed-producing grain, fibres of all qualities which are used in all sorts of products, from shoemaker's thread to fishing lines, nets, etc. Waste products are used for poultry beddings, and several factories use it to provide power. That is what we do in Casselman

Linen, really the most important of these products, is very long wearing and is used for tablecloths, bedsheets, pillow slips, towels, underwear, dresses, etc.

(Text):

Cheaper fibres could be used today to manufacture overalls.

(Translation):

The cheaper linen, that of coarser fibre, is used for overalls, tarpaulins, tents, mail-bags, binder twine, etc.

Mr. Speaker, I congratulate the government on having had a law passed during the last session abolishing appeals to the privy council, thus making the Supreme Court of Canada our final court of appeal. I believe our jurists are perfectly qualified. It was high time that this law was amended in a country such as ours.

I was also extremely gratified that another law was passed during the last session, enabling us to change our constitution without asking another country's permission.

I was also pleased to be a spectator at the federal-provincial conference, last January. I congratulate the right hon. Prime Minister on the very able fashion in which he presided over these meetings. I also would like to congratulate the various provincial premiers on the impartiality of their deliberations. I am convinced that subsequent conferences should follow the same pattern so that we would be able to amend our constitution in accordance with the requirements of our country's development, without infringing upon the legitimate rights of the provinces.

In closing, Mr. Speaker, may I state that it is high time for our country to have a distinctive flag, and by "distinctive" I mean a truly national flag bearing no trace of the emblems of the lands of our ancestors: France, England, Ireland or Scotland. Let us forget about the fleur-de-lis or the union jack. We are a nation and we need a flag. I have a model here which I believe would meet with the approval of all Canadians, and would help national unity and would thus increase national pride.

I also think that it would be appropriate for us to have a diplomatic representative at the Holy See; nearly all countries have one except the communist-controlled countries. I am convinced that this would have great diplomatic value for Canada. I wish that all the hon. members of this house would support this, for it should not be a matter of religion but really a diplomatic matter.

I also think that we should have a Canadian as the representative of His Majesty the King; we have Canadians as lieutenant governors of the provinces and there is no cause for complaint in this regard.

As a last request, Mr. Speaker, I believe we should allow the public to enter the galleries before we recite our beautiful opening prayer.

(Text):

Mr. Edgar Leduc (Jacques Cartier): Mr. Speaker, I rise for the first time in the house to speak on the address in reply to the speech from the throne. May I first of all join with those hon. members who have spoken before me in congratulating the mover (Mr. Larson) and the seconder (Mr. Dumas) of the address. They have done a good job and have indicated what legislation is likely to be brought up for discussion. They have made suggestions which will be discussed thoroughly by hon. members.

May I congratulate the Prime Minister (Mr. St. Laurent) upon the appointment of the Hon. Elphege Marier, former member for Jacques Cartier, to the position of judge of the superior court of the district of Montreal. Mr. Marier, with his knowledge of law and the experience he has acquired through many years of practice, together with his sound judgment, qualities of heart and spirit of justice, is an ideal candidate to carry out the duties of judge. I congratulate Mr. Marier upon his appointment, which was well deserved. I am convinced that Mr. Marier will discharge his duties honourably and in conformity with the traditions of honesty known to exist in our courts of justice. This appointment created a vacancy which opened a door to my candidature and election as a member of this house.

Before going further let me introduce myself to the members of this house. I have the honour to represent the county which bears the name of the discoverer of Canada, Jacques Cartier. There are 36,000 electors in this county which comprises an agricultural section and a more important industrial section. Here we have the most important factories of Canada which have done so much with their skilled labour to help win the war and are continuing to help make Canada stronger and more prosperous, the Dominion Bridge Company, Dominion Engineering Works, two wire rope factories, a subsidiary of the Steel Company of Canada, Canadian Allis Chalmers, Jenkins Valves, all steel industries and many other smaller plants. These industries are prosperous and are still expanding.

In our midst we have an important distillery, Distillers Corporation. We also have an agricultural college, Macdonald college at Ste. Anne de Bellevue. You will realize that I have the honour to represent a very important county.

I would like to have the experience and ability of some of the members of this house to discharge my duties as the representative of such an important county but I can assure the house that my desire to work and my devotion to the service of my constituents will supplement my oratorical ability.

We have a mixed population, about 35 per cent English-speaking and 65 per cent French-speaking. The understanding and harmony between the two races have been very good. The understanding between the heads of the industries and the labour unions has been such that no walkouts or strikes have occurred for a number of years. Grievances have been worked out to mutual advantage, and our municipalities within the county have gone ahead and are prospering.

Being a new member, I do not intend at the beginning of this session to dictate my views to this house, but I am prepared to listen, study, gather experience and submit recommendations as the occasion arises.

May I be permitted to say that I intend to pursue the course of action which I have followed in supporting the Liberal party in measures that I consider the best under prevailing circumstances, reserving my liberty of action on matters being brought up which I would consider contrary to my principles and conscience, but I hope that such controversial matters will not occur during my term of office.

During the last two months I have been in this parliament I have had fairly good understanding with the ministers of the crown, although I am just an Independent Liberal. May I hope that full recognition will be made of my status in consideration of my past services to the Liberal party as organizer for 27 years without interruption of party affiliation, until I was called Independent. I supported the Prime Minister and I congratulate him upon his success in the general election, and I rejoice personally in the results I obtained on October 24.

(Translation):

I thank the hon. members for their kind attention to the speech which I made in English, in order to be understood by the great majority of members. I shall no doubt have other occasions later on of speaking more fluently in my mother tongue.

However, I wish to mention that prior to entering the political arena, I served some sort of novitiate as a public servant for twenty-two years. I was secretary-treasurer of the municipality of Lachine for eight years,

then alderman of the same city. I also served a term of ten years as chairman of the finance commission, before becoming mayor of Lachine. I have tasted of both victory and defeat.

In the past, all my work has been inspired by the following alexandrines which I learned in my school days and still remember:

La route est dure et la montagne est haute,
Mais la fleur de l'idéal pousse sur les sommets,
Et les découragés qui dorment à mi-côte,
En y rêvant toujours ne la cueillent jamais.

My motto has always been eagerness and ambition. Eagerness to work and ambition to serve. The lines I quoted a few moments ago have been my inspiration in victory and in defeat. In this ideal do I find a reward for a job well done, as well as satisfaction for a duty well performed.

(Text):

On motion of Mr. Drew the debate was adjourned.

PRIVILEGE

WITHDRAWAL OF REQUEST FOR LEAVE TO PUT MATTER ON "HANSARD"

Mr. E. W. George (Westmorland): Mr. Speaker, I rise to a question of privilege. Earlier this evening I requested and received permission from the house to put on *Hansard* "Fundy Tidal Facts" and available power data in connection with the St. Mary's tidal project. I understand now that I was in error in asking to have that done, and I now ask permission to withdraw my request. Any hon. member who wishes to see this information will find it available in my room.

Mr. Deputy Speaker: Has the hon. member permission to withdraw?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow being government day we will move to go into supply. If the motion carries we will call three departments, transport, finance and fisheries. From eight to nine will be private and public bills. If there is a discussion on the motion to go into supply and we finish it some time during the day we will then take up the motion of the Secretary of State for External Affairs to refer his estimates to the external affairs committee. If we get through with that, we will take up the motion of the Minister of National Health and Welfare for the setting up of a committee on old age security.

That is one way of proceeding. If there is no debate on the motion to go into supply we will take up the estimates of transport.

Mr. Drew: So that we may understand what the procedure will be, may I ask if it is the intention in the following weeks to call one department as was mentioned earlier?

Mr. Fournier (Hull): Yes. I was not successful last week in getting the motion to go into supply agreed to by the house and could not call any departments. I find myself now with only the estimates of national defence that could be brought up on Friday. I hope to have them up on that day. I am asking for these three departments so that I shall have at least a few on which I can rely.

Mr. Drew: I only asked the question for the purpose of understanding the situation. I thought when the suggestion was made that three departments would be called that that was carrying forward the original intention to call two departments last week and one this week. All I wanted to know was whether the course then would be followed of not calling more than one department each week hereafter.

Mr. Fournier (Hull): It is not the intention of the government to call more than one department unless there is some understanding as to the necessity of calling more than one.

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

HOUSE OF COMMONS

Tuesday, March 14, 1950

The house met at three o'clock.

PUBLIC ACCOUNTS

REPORT OF AUDITOR GENERAL—REFERENCE TO STANDING COMMITTEE

Hon. Douglas Abbott (Minister of Finance) moved:

That the public accounts of Canada and the report of the Auditor General for the fiscal year ended March 31, 1949, which were tabled in the house on October 31, 1949, be referred to the standing committee on public accounts.

Motion agreed to.

AGRICULTURAL PRODUCTS ACT

EXTENSION OF OPERATION FOR A PERIOD OF ONE YEAR

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

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

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

Motion agreed to.

IMMIGRATION

INQUIRY AS TO DEPORTATION OF ENRIQUE MONTENEGRO AND ANGELO PARRA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): In the absence of the Minister of Citizenship and Immigration, I should like to direct a question to the Prime Minister. It concerns the two young Spanish merchant seamen, Enrique Montenegro and Angelo Parra, who apparently have been sent from Vancouver to Montreal, are to arrive in Montreal tomorrow morning and are to be sent on at once to New York. I have had representations from Vancouver that these young men are political refugees, that they are in grave danger should they be sent back to Spain, and also that they have been promised by Guatemala a visa which is due here shortly. Those statements may or may not be correct, but under the circumstances would it not be possible to hold these young men in Montreal until there is a further investigation?

Right Hon. L. S. St. Laurent (Prime Minister): I had not heard anything about Enrique Montenegro and Angelo Parra until the hon. member telephoned my office this morning about them. I know nothing about their political background or about what they may have been promised by the government of Guatemala; but I made inquiries and found that they were to be held in Montreal for further inquiry, and that no order would be made about them until after the inquiry report had been submitted to the minister and he had had an opportunity to consider it.

Mr. Green: I thank the Prime Minister for his answer.

BUSINESS OF THE HOUSE

QUESTIONS AND MOTIONS FOR PRODUCTION OF PAPERS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the government if questions and motions for production of papers could be taken up tomorrow?

Right Hon. L. S. St. Laurent (Prime Minister): We had intended to answer questions last week, but there was such great complaint about there being any departure from the rules that we thought it would be advisable to allow the debate on the address in reply to the speech from the throne to be completed before we asked for any more unanimous consents.

Mr. Knowles: It all depends on who is asking for it.

RADIUM

THEFT OF NEEDLES FROM NATIONAL RESEARCH BUILDING—RESPONSIBILITY FOR BURNS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Trade and Commerce. Is the government going to take full responsibility for the care and treatment of the young boy who has two radium burns on his hands caused by gross negligence and lack of proper handling and storing of radium needles by this government?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The hon. member, instead of asking a question, has made certain assertions that may or may not be accurate.

Mr. Fraser: That is what I want to find out.

Mr. Howe: I will examine the assertions in *Hansard*, consult my officials and give a reply later.

HUMAN RIGHTS

INQUIRY AS TO SETTING UP OF COMMITTEE—APPROVAL OF UNITED NATIONS DECLARATION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Prime Minister. It has to do with the international declaration of human rights that Canada voted for in the United Nations assembly in December, 1948. Is it the intention of the government to set up at this session a committee on human freedoms; and if not, is it its intention to submit to parliament for consideration and approval this declaration which was accepted by our representatives?

Right Hon. L. S. St. Laurent (Prime Minister): The government has not yet made any decision in that regard. The position of the government was stated, with the required qualifications, when the matter was before the United Nations. Since that time the matter has not received further consideration.

BOMB EXPLOSION

INQUIRY AS TO INJURY TO YOUNG BOY AND HIS MOTHER

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of National Defence. Does he intend to make a statement to this house with regard to the shocking accident in which a young boy's hand was blown off and his mother, Mrs. MacLaurin, was injured a few days ago by a Canadian army thunderflash bomb?

Hon. Brooke Claxton (Minister of National Defence): The hon. gentleman seems to be making a number of assertions for which there seems to be little evidence indeed.

Mr. Fraser: We want to place the responsibility.

Mr. Claxton: No evidence has been brought to my attention to indicate that this is a Canadian army thunderflash bomb. That is a matter that has to be looked into. I must say that I, like the hon. member, regret the accident; but there is no evidence whatever that it was caused by a Canadian army bomb or that the Canadian armed forces were in any way negligent. In fact the newspaper reports indicate that there would be no liability on the part of the crown.

Mr. Fraser: I should like to direct another question to the minister. Does he not feel that the only place that hand grenades or army thunderflashes can come from would be the arsenal of the Canadian government?

Mr. Claxton: Not at all. This is not a military bomb. It is a commercial thunderflash bomb, produced by commercial producers.

Mr. Fraser: And sold to the government.

Mr. Claxton: And used in commerce as well as by government agencies. There is no evidence yet that this bomb ever was in our possession.

HOUSE OF COMMONS

INQUIRY AS TO TABLING OF STATUTORY REPORTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Prime Minister. Can he say now, or if not will he ascertain, whether all the reports that are required by law to be laid on the table of the house within the first fifteen days of the opening of parliament, or some such similar period, have in fact been produced?

Right Hon. L. S. St. Laurent (Prime Minister): I will make inquiries, Mr. Speaker.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

PROPOSED SPECIAL COMMITTEE ON NATIONAL DEFENCE

Mr. G. R. Pearkes (Nanaimo): The rules of this house, Mr. Speaker, provide that, on the motion to go into supply, a private member may rise in his place and voice any grievances or bring to the attention of the house any matter that concerns him with respect to public policy. I want to take advantage of that rule this afternoon in order to bring to the attention of the house a matter which is of grave concern to me as well as to other members, and is causing considerable alarm in the country as a whole. I refer to the serious matter of national defence.

Since the last session of parliament the world has been marching forward at a tremendous pace. We have seen grave events taking place in Europe, in Asia and in other parts of the world. In this house and outside of it we have listened to speeches which can only cause the greatest possible consternation among the people of Canada. As to Asia, we have seen the red tide of communism sweeping across China. We have seen the new people's government recognized by Russia. So far as Europe is concerned,

only within the last few days have there been a series of general elections, the result of which it is extremely difficult to foretell, and which will undoubtedly have very great bearing upon the future of the peace of the world.

Since the last session of parliament, the fact that Russia has been able to develop an atomic bomb has been confirmed. Furthermore, we have seen the great republic to the south of us passing legislation which will authorize the development of weapons even more ghastly than the atomic bomb. Since the last session of parliament a number of defence and military conferences have been held in Europe. Our own Minister of National Defence (Mr. Claxton) attended a conference at Paris. According to the reports from that conference, not only were the broad principles of defence planning discussed, but details as to military production and supplies were gone into so that the North Atlantic treaty might be implemented. It would appear that the chiefs of staff of the various countries are getting down to the details of the problems of collective defence. These responsibilities go with membership in the Atlantic alliance, but these responsibilities cannot merely be discharged by getting together boards of experts. The one thing that is necessary is that the people of all peace-loving countries get wholeheartedly behind their experts in order that the responsibilities that the governments of the countries have assumed may be fulfilled by the peoples of those countries.

It is essential that if that is to be done there be a philosophy established amongst the people which will demonstrate a determination to work in the direction of collective security and to put their whole effort into the plans which are designed to prevent a third world war. It is to the prevention of war that all our efforts on national defence should be directed; and we can only get a nation working wholeheartedly toward that end if the people of the nation are convinced that their government is working in the right direction, and furthermore that they are in possession of the true facts regarding the defence situation.

By agreement we are participants in this collective enterprise. This is a treaty for the security not only of the north Atlantic but of the world as a whole, because no war can be confined to the coast line of the north Atlantic. Should another war break out it will undoubtedly be a global war; no part of any continent will be spared. But while these conversations have been going on there has been some uncertainty in the minds of the Canadian people as to the extent and scale to which we, the Canadian nation, are committed, and whether those commitments which have been made, or which are about to be made, bear any relation whatever to the capabilities and the possibilities of this nation fulfilling these commitments.

In the last few days the estimates for 1950-51 have been tabled. The defence estimates are the largest in the peacetime history of this country. They have been increased by some $42 million. The question which is being asked all across the country is: Can this nation, in view of its many obligations, afford that sum? Likewise, disturbed by reports that have been made in various quarters, to which I shall refer later, the question is also being asked: Is this sum adequate? And again, is this sum being correctly distributed? There seems to be a good deal of uncertainty as to whether the amount which is divided between the fighting services is being distributed in the proper proportions.

On February 16 a report was published in the *Citizen* which indicated a considerable change in policy in so far as the Royal Canadian Navy is concerned. It is dated Ottawa, February 16, and is a Canadian Press item. In it we are told:

> The navy today announced plans for a two-division fleet designed to build up a small, compact force ready for swift action in an emergency.
>
> The main feature of the plan will be division of the fleet in two main segments, one concentrating on training and the other on operational work.

As we read on we are told:

> The navy termed the two-division plan "the most important step taken by the navy since the war."

Hon. members will notice that this was announced on February 16. It goes on to describe how the first move was taken last year by the conversion of the cruiser *Ontario* into a training ship from its operational role. That is apparently a big and radical change in naval policy.

In the past we have heard about the submarine hunter-killer teams, for which it was announced in the white paper published during last session that special training and equipment are required. In looking over the defence appropriations for the United States I find that, according to the New York *Times* of March 3, the amount of money allocated for anti-submarine warfare has been increased by the United States navy to the extent of 200 per cent. In our estimates for this year we see a total increase of $4 million over the amount of $84 million allocated last year, indicating an increase of merely five per cent. One cannot help wondering whether these submarine hunter-killer teams, which we are supposed to be working upon and to be making as our first naval commitment, can be fully developed with only an increase of five per cent in expenditures.

Proposed National Defence Committee

Are we placing too much dependence upon obsolete or obsolescent ships held in reserve? A great deal of information has been published in the last few months about the type of submarines maintained in the fleets of some other countries, including Russia, which are commonly referred to as snorkel submarines. These vessels have an underwater speed of from 20 to 25 knots, a speed which is truly alarming and which cannot be met effectively by the frigates and corvettes of our Canadian navy. Nor have the destroyers of our Canadian navy been equipped with anti-submarine devices.

Therefore it would seem that although we have set as our naval objective the development of anti-submarine craft, at present we have no such craft available, although we understand that three vessels are now being prepared. I do not know the stage of development that has been reached in their preparation. It would be well for us to ponder the recognized capabilities of the submarines which do exist today in the navies of the world. Not only have they a much higher speed than those which were in operation at the close of the last war, but they can drop to depths far greater than the depths to which submarines in the last war submerged. This factor gives an unquestionable advantage to the submarine.

Can a submarine at a depth, let us say, of a thousand feet be detected by means of the appliances with which our Canadian vessels are at present equipped? Can the depth charges which might be delivered be effective against such vessels? Again, the endurance of the modern submarine is such that it may remain submerged indefinitely. It is equipped with weapons far more deadly than those used during the last war, equipped with the homing warheads that can be attached to torpedoes which, by means of either magnetic or acoustic warheads, once they have been launched in the general direction of a target can find that target, even though such torpedo has to change its course.

In naval quarters there is much questioning whether our Canadian navy is following along the right lines at the present time, and whether far more emphasis should not have been placed upon what has been described as our major naval objective.

Then, to consider the air for a moment; it was not long ago that Air Marshal W. A. Curtis announced that the Royal Canadian Air Force was now going to emphasize the operational side of its activities, and that this change represented a departure from the nucleus theory of the air force which was being slowly built up. In the estimates which will be before the house on Friday it is indicated that the ratio between the amount of money which has been spent in the past on the air force, and that which will be spent in the future, is as 42·6 is to 44·8. The question is whether that change is adequate; whether in view of our commitments we should not be placing even greater emphasis on defence and spending a larger proportion of our defence dollar on the air force.

Perhaps no real balance has yet been reached between the army and the air picture. On February 21 a correspondent who was attending the recent Sweetbriar exercises remarked that the R.C.A.F. plans to form another jet squadron this year. According to the statement in the press there are at present two jet squadrons in Canada equipped with Vampires, one at Montreal and one at Chatham. The report goes on to say it was originally intended that there should be two jet squadrons added this year, but that owing to budgetary problems it is unlikely that more than one will be added. The report goes on to quote a senior air officer to the effect that a strength of five such squadrons would be required to protect vital areas in Canada—that is, to protect merely the vital areas.

The question must again be asked: Are we saving money on the R.C.A.F. at the expense of safety? Reading from the *Financial Times* of a week ago it becomes obvious that these problems have been disturbing not only the senior officers in the various services but also the cabinet and other people across the country as a whole. In a report from the *Financial Times* we find this:

> The really big fight has been on the defence estimates. All services came up with big and potent arguments for higher spending in 1950-51. They supported these arguments with cash demands needed to pay for equipment already ordered and committed in previous years and which will be delivered in 1950-51.
>
> As well, there was submitted the growing demands of the cold war in terms of Canada's new North Atlantic pact commitments.
>
> What actually happened was a slashing of proposed defence plans.

In recent months uncertainty has been caused in the country by the reports which have been made regarding Exercise Sweetbriar which was held in the Yukon and Alaska. All these reports were loud in their praises of the individual airmen and soldiers who took part in the exercise. While there is no doubt there was a distinct improvement over previous exercises, the reports indicate that we are far below the necessary standards of equipment which would be essential if warfare is to be carried out in the Arctic.

Mr. Baldwin, writing in the New York *Times*, used this picturesque language in describing how warfare can be carried out in the Arctic:

> Air power has stormed the ramparts of the cold.

It is obvious that war can be waged in the Arctic provided that there is adequate air support. Mr. Baldwin's article in the New York *Times* has been repeated in various editorials across the country. The people of Canada have become concerned by the bold statement that the military weaknesses of Alaska and Canada were startlingly revealed by Exercise Sweetbriar. Mr. Baldwin goes on to say:

> The number of aircraft Canada plans to maintain probably will never be adequate in peacetime to airlift all three battalions simultaneously.

He is referring there to the three battalions of the Canadian active army which are being trained as airborne troops for the express purpose of operating against diversionary raids such as may be launched in the northland. We know that one regiment, the Princess Patricia's Canadian Light Infantry, has demonstrated the effectiveness of its training, but the men had to be carried in aircraft of a type which would have made it extremely doubtful that they would reach their dropping points in real operations. North Star aircraft are not equipped to permit parachute jumping.

Mr. Baldwin described the Canadian air force as being quite small by United States standards. As I said, the Princess Patricias were transported by Dakotas and C-47's which are not really efficient up-to-date aircraft for the carrying of airborne troops. An officer is reported as describing the Patricias in this way:

> We have a fine buggy in the Pats, but no horse to pull it.

I think that describes very well the situation that exists at the moment. We have a fine regiment made up of excellent men who have progressed a long way in their training as a parachute jumping and airborne battalion, but unfortunately we have not the aircraft in which to move that battalion to its proper position. That makes one ask this question: Is there really a balance between the army and the air force at the present time? Other senior officials connected with the defence department have spoken and caused considerable alarm; I refer to a speech reported to have been made by Dr. O. M. Solandt, chairman of Canada's defence research board. In that article Dr. Solandt is indicating the extent to which machines will replace men in the fighting forces of the future. After describing the replacement of men by such things as rockets, jets and other machines, he goes on to say:

> The tendency to replace men with machines, which has already begun, will spread rapidly through all the services.

After referring to the developments in connection with guided missiles, he goes on to say:

> All these things are possible through the use of existing knowledge. This means that most of them are ready to pass from the hands of the research scientists to those of the research-minded engineer who will convert the ideas into realities; the crude experimental mock-ups into finished, effective and reliable machines.

Then he concludes by saying:

> We are just on the threshold of the age of atomic power. I think that it will be many years before atomic power will be widely used in industry, but it will be used much sooner for military applications such as the propulsion of warships and submarines.

Those are some of the matters which are giving this nation concern. The only way in which the country can be satisfied and the people rallied behind the efforts being made to prevent a third world war is to make full publication of all the details. If the people are given the details of the commitments which this government has made, then I think they will respond. I quote again from the editorial in the *Globe and Mail* of February 28:

> No doubt the Canadian people, aware of the country's present dangers and new obligations, approve of this increase in principle. But they are interested in knowing, and entitled to be told, what they are buying with the money, what specific responsibilities Canada is undertaking and whether our defence plans are sufficient for the purpose.
>
> There is no substance in the argument that these matters must remain top secrets. When both the United States and Britain openly discuss the adequacy of their defences, it is nonsense to say that safety will be jeopardized by publicity for Canadian plans.

I have referred to a number of things which have happened in the last few months. In the speech from the throne at the opening of the present session information was given to the effect that it is the intention of the government to introduce a measure to revise and consolidate into one act the various acts under which the armed forces of the country have been operating for a great many years, to give to Canada the sole authority to administer her own forces, to make the various forces essentially Canadian, and to give them a uniform code. There will be new paragraphs designed to meet the present and future requirements of the services.

When explaining a bill of this nature in the Senate during the last session of parliament the Minister of National Defence emphasized the importance of it. When he referred to it in the House of Commons during the last

session he pointed out how important the bill was, and said that because of its far-reaching effects he would be prepared to have it referred to a committee of the house.

In the speech from the throne there is other legislation forecast dealing with the Militia Pension Act. Although the minister has not so indicated, no doubt he will also be prepared to have that measure referred to the committee. What I want to ask for now, and what I feel will lead to a solution of the problem which confronts the people and will relieve them of their fear and anxiety, is what members of the Progressive Conservative party and others have asked for on many occasions in the past, namely, a special committee to inquire into the whole question of national defence. I do so at this time because only last night the house leader announced that on Friday next the estimates of the Department of National Defence would be called. Year after year we have had them introduced, and members on all sides of the house will appreciate how difficult it is for the minister to give in a few brief sentences the information required, no matter how willing he may be to answer the questions which hon. members of the opposition ask. Nor can members of the opposition be expected to place the minister under a prolonged cross-examination in order to disclose the innumerable details which go to make up the final picture as to Canada's defences—which, I repeat, are designed with the sole object of preventing a third world war.

If we had a committee in which members who are particularly concerned with the defences of this country, and whose past training has given them a certain experience in such matters, were able not only to ask the minister to state the general policy but also to call before the committee the senior officers of the various departments, we would be able to obtain the information we desire. As I have indicated, senior officers have been stating their views across the country. We could call before such a committee people with experience and authority in industry and science who are accustomed to looking after the social services of Canada. I do not think we are asking for too much. We have made the same request before, and it seems to me that when there are such big changes taking place in the world as a whole and in the policy of our defence forces, now is the time to ask for the widest and most thorough investigation.

Therefore I propose to move, seconded by the hon. member for Calgary East (Mr. Harkness):

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

"It is expedient to appoint a special committee of this house to examine and report upon the Department of National Defence and the armed services of Canada; and that such committee have power to call for persons, papers and records, and to report from time to time to this house."

[Mr. Pearkes.]

Mr. D. S. Harkness (Calgary East): Mr. Speaker, in supporting the motion of the hon. member for Nanaimo (Mr. Pearkes) I should first like to draw attention to the fact that the experiences of the past five years have abundantly shown that a general discussion on defence matters or a discussion of the defence estimates cannot be satisfactorily carried on, either when the house is sitting as at present with the Speaker in the chair, or in committee of the whole. I think it has been shown conclusively that it is impossible under such circumstances for any member of the house to secure the detailed information necessary to enable him to form a sound and intelligent idea of what our defence situation is, and what is needed in connection therewith. That is one of the reasons why, during the past four or five years, we of this party have been urging that a standing committee on defence should be established.

During the time that I have been a member of the house the matter was first raised by the hon. member for Vancouver-Quadra (Mr. Green). I think it is worth noting that at that time the government did not take the adamant position they have assumed during the last two years towards the creation of such a committee. In that regard I should like to read a short extract from *Hansard* which gives the position of the then minister of national defence, now the Minister of Finance (Mr. Abbott), when the hon. member for Vancouver-Quadra first raised the question. It is to be found at page 877 of *Hansard* for October 9, 1945, and reads:

Mr. Abbott: The second suggestion made by the hon. member for Vancouver South was that a special committee should be set up to look into defence matters.

Mr. Green: A standing committee.

Mr. Abbott: Yes. May I say that personally I would welcome the establishment of such a committee, because I believe it could perform a useful service. The discussion and consideration of defence matters in my view should not be the subject of party strife, and I believe a committee of that sort could perform a useful purpose. I would hasten to say, however, that I feel it would not be feasible to set up such a committee at this session, one which is of a rather special nature. While I cannot commit the government as to policy, yet I would recommend personally that such a committee be established at the next session, when I have no doubt we shall not be quite so pressed for time as, I am afraid, we shall be at this session.

That was the position taken by the then minister of national defence, a position which was almost the same as that taken by this party since that time. The only reason he

did not agree to the setting up of the committee immediately was that in a short post-war session, it was not feasible.

Later on in that session the then prime minister, Mr. Mackenzie King, indicated that he was not opposed to this idea of setting up a committee. He said he thought it could serve a useful purpose. In view of the attitude of the government in 1945, why the extreme change that has taken place? Has the government something to hide about which it does not want this committee to learn the truth? If so, that is all the more reason for setting up the committee. I am not saying it is so, but I wonder if the government has come to the conclusion that the less the members of parliament know about defence matters, the better it is for the government. Perhaps that is one of the reasons why it is so firm in its refusal to set up this committee. It may be that it is part of the general disregard for parliament that this government has shown during the past few years. I am inclined to think it fits into that general pattern. In any event, no satisfactory explanation has been given for the extreme change in the attitude of the government towards the setting up of this committee.

I do not think the present Minister of National Defence (Mr. Claxton) could give any good reasons for the change in the government's attitude. It seems to me it is part of the general picture of denying all the information to members of parliament which the government could possibly deny. It is illustrative of the position in which the government virtually says: We have our fingers in this pie, so you keep yours out; we do not want you to have anything to do with the matter. So far as the value of setting up a committee is concerned, I think everyone will agree that it is not only important, but vitally necessary, that there should be a group of members who are well informed on defence matters. At the moment there is no way of becoming informed. A member of parliament is up against insuperable difficulties in securing any information on this subject.

As I indicated, the hit-or-miss discussion we have across the floor of the house is entirely inadequate. The hon. member for Nanaimo has shown that, from the time point of view alone, it would not be possible to discuss all the detailed matters upon which we would like to have information. In addition to that, we all realize that there are certain matters about which the defence heads do not want to make information public. The government refuses to answer questions on these subjects. I believe, however, that in far too many cases that excuse is used as a means of escaping the answering of any questions. Nevertheless there are some questions which fall within that category and cannot be answered publicly.

During the past four or five years, comparatively few members have taken part in the discussions on national defence. The majority of the members have paid no attention to it, and are not even present when it is taking place. The reason is that the members have little information; they do not know anything about the subject. It is an obvious truth that a man is not interested in something that he knows nothing about. The more anyone delves into a certain subject, the more interested one becomes. The setting up of a standing committee on defence would serve the extremely useful purpose of increasing the interest of the members in this important subject, as well as the interest of the people throughout the country. It would serve also the interests of the defence forces themselves. What the forces were doing would be better understood and better appreciated by the general public. As a result, I believe we would get better support for our recruiting program.

On many occasions we have indicated that we believe there should be a standing committee before which the various defence chiefs and the members of their staffs could appear. Detailed information could be presented, on the basis of which the members could make up their minds as to the adequacy or otherwise of general defence policy, as well as the particular development which defence services are undertaking at any particular time. We could ascertain also whether our defence policy was changing as conditions changed, and whether we had a set-up which met the threats to Canadian security as they develop from time to time. The need for a standing committee on defence is indicated by a look at the estimates for this year's expenditures. One finds that the three largest spending departments, so far as money voted is concerned—I am leaving out of consideration the money which is spent by statute—are national defence, with about $420 million to be voted; veterans affairs, with about $199 million to be voted, and public works, with about $100 million to be voted.

Of these departments, the Department of National Defence is the largest. The amount involved is more than twice as much as veterans affairs and more than four times as much as public works. Of the $420 million, approximately $408 million, nearly the whole amount, is in two bulk items. They are numbered 202 and 203 in the estimates, and they cover over $408 million which we are asked to vote. Surely if a committee is needed to go into the expenditures in the Department of External Affairs, a similar committee is

needed for the Department of National Defence. The experience we had in the house last year, as a result of trying to go into the details of these defence estimates, well illustrates that. The estimates came up towards the end of the session, and I tried to secure information about a number of matters. Every time I rose to ask a question, a great howl of protest went up from the benches facing me, and from those to my right—cries of "sit down, sit down"; "we want to get home" and so forth.

An hon. Member: From the government benches.

Mr. Harkness: From the government benches, certainly. In addition to that I received from the other side of the house notes saying "Please do not ask any more questions." That is the situation when only one member tries to ask a few questions requesting details in connection with defence matters; he is howled down by the large number of government members in this house and every means really is taken to try to get him to desist. Under these circumstances it is quite obvious that we must have some other means whereby the large expenditures for this department can be properly examined. The only means by which that can be done, as far as I can see, and the only means that anyone has suggested so far as I am aware, is a standing committee on defence. About a week or so ago I received from a reserve force officer a letter in which he mentions several matters in connection with defence. He is a man whom I had known overseas; as a matter of fact, he is an old friend. The letter contains this sentence:

> Is there no means of discussing defence questions and putting up contrary views to those of army headquarters without publicity?

In writing back to him I was obliged to say, of course, that there was no means. That letter would indicate that members of the reserve forces who are thinking on this matter and who have ideas which are contrary to those of the constituted authorities would like to see some means whereby those ideas could be brought to the attention of the minister and the defence chiefs and their merits discussed with those people. There just is not any means of anything like that being done at the present time. It is another indication of the necessity of there being some way in which members of this house can put forward their ideas and the ideas they pick up from other people who are interested in defence matters, and at least have an opinion on these contrary ideas expressed by the heads of the defence services and reasons given why, in their opinion, they would not be practical.

One other matter I should like to say something about is that of civil defence, and I have spoken about it in this house on numerous other occasions. We have never obtained from the minister or from the government any satisfactory information in connection with what was being done, nor have we been told whether anything at all was being done. All we have ever heard was that General Worthington had been appointed to look into the matter and to report upon it.

Last year when the defence estimates were up for consideration the minister said that this matter of preparing any plan for the defence of the civilian population in the event of ordinary bombing, atomic bombing or any other sort of attack, or preparing a plan for the evacuation of our large cities and so on was a matter of timing. I am prepared to agree with that statement; it probably is a matter of timing. The impression was left, however, that the time had not arrived for us to do anything along that line. Nevertheless, a large number of people think that the time has not only arrived when we should be doing something fairly definite, but is long past. A mere perusal of the newspapers during the last few months will indicate that there is a constantly growing awareness on the part of the general public of the necessity for plans for civilian defence being put into operation or at least for getting further along than this investigation-and-report stage at which the matter rests now, as far as we know.

A committee such as the one we are advocating would be the appropriate place where a question of that sort could be discussed, where the suggestions and ideas which members receive from their constituents right across Canada could be put forward and brought to the attention of the heads of the defence services, and where they might be, we will say, prodded into action on something definite.

The hon. member for Nanaimo (Mr. Pearkes) mentioned the act with respect to national defence which was introduced in the other place last year and which will come to us in this chamber for consideration this year. As to that act of last year, the minister indicated that, in his opinion, it would have to be dealt with by a committee. There is no committee of this house which is adapted to deal with that act. It seems to me that if, in the minister's own opinion, this long and important act is to be dealt with by a committee, the only choice the government has is to appoint a committee on defence to take the matter up; and as a result of that act coming in at this session, it seems a singularly appropriate time to institute or inaugurate a standing committee of the house on defence. I

hope that the government will pay to the arguments we put up now on this matter, and which we have put up in past years, the attention which they deserve, and will proceed to some action with regard to setting up this committee.

Mr. P. E. Wright (Melfort): I should like to say a few words, Mr. Speaker, in support of this amendment moved by the hon. member for Nanaimo (Mr. Pearkes) with respect to setting up in this house a committee on defence. It seems to me that there are a great many other members who, like myself, have little information on what our defence situation is in this country. It is true that the estimates on defence have been brought into the house and discussed each session; but quite often it was in the latter days of the session, when discussion was limited, and we did not obtain all the information we should like to have had with regard to this matter.

Today we are spending a large proportion of our budget on defence; it is a much larger proportion than we have spent in the last two years. This year, as a matter of fact, we are spending $425 million plus whatever supplementary estimates there may be, plus whatever we may be spending on research work, and whatever we may be spending in the matter of atomic energy: in all, the amount will probably reach some $500 million. It seems to me that in the world as it is today, with the forces of evil there are in existence, we in this house should pay more attention to our defence estimates and should try to ascertain whether we are getting the most for the money we are spending in this respect. I have no doubt that the government are trying to do the best they can, and that they are trying to see that the dollars they spend are being spent for the best purpose. Nevertheless, we get a little bit alarmed when we read in the papers, as we did the other day in the Montreal *Gazette*, I think it was, that when certain officials were brought before study groups of government members in this house, the matter which the government members seemed to be most interested in was the patronage they might get out of defence estimates rather than the best service they could get. This report has not been denied; and it seems to me that, under the circumstances, we should have a committee of this house before which we could call in officials of the defence department and see that we are getting the best for the money that we are spending on defence.

Prior to the war—I believe it was in 1939—we had a defence purchasing board set up under a special act of parliament. When the war broke out the duties of this board were turned over to the Department of Munitions and Supply, and that department did the purchasing for the armed forces. After the war the duties of purchasing for the armed forces were turned over to the Canadian Commercial Corporation instead of being turned back to the defence purchasing board under the old act passed in 1939. By the way, this was a fairly comprehensive act and it gave a great deal of protection to the government and to the people of this country in the purchases that were being made

My reading of the act under which the Canadian Commercial Corporation was set up leads me to believe that we have not the protection that we had under the defence purchasing board in seeing that there is no patronage in the matter of defence and that we get value for every cent that we spend in purchasing for the defence department.

There is also the matter of civilian defence. I believe General Worthington was appointed to make an investigation and report to the government as to what should be done with respect to civilian defence in Canada. Up to date, so far as I know, and I think as far as every hon. member knows, we have very little information as to whether anything definite has been done. In a war such as we might have, should there be a third war, and we all hope that we may not, with the use of bombs, atomic bombs and H-bombs, the matter of civilian defence becomes very important, of much greater importance than it ever was in former times. We should be organized. We should know what is taking place with respect to civilian defence, not only to relieve the minds of our people, not only to see that this matter is being taken care of, but to see that the civilian population is not left defenceless.

These are just a few things which I think should be discussed in a committee of this house. The idea is a good one. We would be in a much better position if we had our defence estimates referred to a committee, and if we, as members of parliament, through a committee such as this, took a greater interest in our defence, and through our interest transmitted it to the people of the Dominion of Canada.

Mr. A. J. Brooks (Royal): Mr. Speaker, it is not my intention to take up much of the time of the house, but I do wish to support the motion which has been made by the hon. member for Nanaimo (Mr. Pearkes) for the setting up of a defence committee of this house. I think the house is indeed fortunate to have a member such as the hon. member for Nanaimo, who has a wide knowledge of defence matters. I might say also that the house is fortunate in having so many other

men, especially those from the last war, who are well qualified to give advice and sit on a committee of this kind.

There is nothing more important to the people of Canada, and in fact to the people of the whole world today, than this question of defence. I am sure that there is nothing more complicated, and nothing which gives the government of this country more concern, than this question of defending our country. Wars of today are not like the wars of the past. Perhaps they would compare slightly with the last two wars, but in former wars, before the first and second great wars it was just a matter of armies getting together and fighting it out. The civilian population had very little to do with it.

As has been stated by one hon. member, time for preparation would be very short in the event of a war breaking out. Today a nation must be prepared. In the first great war we in this country had time to wait for months while France, Great Britain and the other countries held the line, as it were, for us. What was true of the first great war was also more or less true in the second world war, but I am sure everyone is convinced that should another war break out the time will not be a matter of months or weeks. It may possibly be a matter only of days until we shall have to have our army and our defences ready.

There are many matters which could and should be discussed by a committee. I do not wish to repeat what has already been said. For instance, a matter which might be discussed by a defence committee is that of the dispersal of munition plants. As we know, they are more or less in vulnerable spots throughout the country. In the event of bombing there is no question in my mind but that our munition plants would be the first to suffer. The matter of the dispersal of munition plants could and should be considered and acted upon long before war comes.

Then there is the matter of supplies and storage of food. If a war comes we shall require large quantities of food, and the food will have to be stored at different points throughout the country. That is a matter that a committee could very well discuss.

A committee on defence does not necessarily discuss only the air force, the navy or the army; but it could and should discuss practically every phase of our life.

Civilian defence, which was mentioned this afternoon by the hon. member for Calgary East (Mr. Harkness) and the hon. member for Melfort (Mr. Wright), is a matter about which I intended to say a few words. I find it is not necessary for me to do so except to point out that the United States has made and is making today, extensive preparations for civilian defence. I think they are paying proportionately far more attention to that very important matter than we are. I hold in my hand a clipping from the *Christian Science Monitor* of a short time ago—I am sorry I have not the date—written by Josephine Ripley, called "Civilian Defense Rolls Quietly", and which reads in part as follows:

> This planning is going on quietly, but not secretly.

It is not necessary that it should be secret. The people should know what is going on. I continue:

> It is going on calmly, and without hysteria. It is going on without frantic haste, but at a steady pace—a pace admittedly speeded up, however, since President Truman's announcement of Russia's possession of the atom bomb.

Since then, of course, we have had the report on the hydrogen bomb and the suggestion that the Russians know as much about the H-bomb as we do. Some of the things which the United States is planning for is a dispersion of government departments from Washington. They are also giving attention to the dispersal of munition plants and other important manufacturing plants.

In the matter of aircraft spotters this article says:

> One of these is the call for 150,000 volunteer aircraft spotters to augment the mechanical "seeing-eye" of the radar screen.
>
> These spotters will cover 25 northwestern and Atlantic coast states and stand ready to scan the skies around the clock, if necessary. This sky-watch will eventually be nationwide.

I suggest we can very well learn from the United States in this matter. Another matter worthy of consideration is the special training they are giving to combat radiation injuries, and like conditions. I believe we in Canada are doing something along those lines, but I feel that probably more should be done. Every city and town in Canada which might possibly be subject to bombing attack should at the present time—not at some later date—be prepared to look after matters of this kind.

This article also states that it is not only at headquarters in Washington that this is being done, but that there are state representatives, and that every state in the union is being made conscious of the necessity for civilian defence. I do not think it is necessary for me to labour that point further; but I do believe, as I said a moment ago, that a committee might well look into and study these matters. A study of that kind would be of great advantage to the government and, I am sure, to the people generally.

Then, again, I was quite concerned not long ago when I read about the quality of

arms being supplied to Europe. It is important, of course, that the allies we might expect under the Atlantic pact should be supplied with proper arms and munitions. I read an article which appeared in *The Ensign* of January 21, a paper published in Montreal. The headline reads, "Europe doubts quality of expected arms from United States. Experts believe special tank should be designed to meet unknown situation." This article, dated at Amsterdam, goes on to say that the supplies of secondary munitions for Europe are not good enough. It states the view is that the supplies from the last war would not stand up or be sufficient to meet any onslaught which we might have from Russia. The people in those countries feel that there should be set up some sort of western European arms industry, so that they would not have to rely too much on secondhand arms they are receiving from the United States and Canada.

This is a question which I am sure a committee could look into with great value and benefit to ourselves and to our friends. Speaking on the subject of defence last year, the minister set out as his sixth point the following:

> Since an attack on Canada could only be made by air or by sea, emphasis must be placed on defence forces; by air—radar stations and communications, backed by interceptors and a relatively small mobile brigade group; by sea—anti-submarine and anti-mine vessels for protection of shipping and coastal waters.
>
> The best place to defeat the enemy is as far away from Canada as possible, and our forces should also serve as the nucleus for the development of our maximum potential.

That is an ideal with which I am sure we all agree. The best place to defeat an enemy is as far away from Canada as possible. But I think the minister himself, the government and the people of Canada are beginning to realize that probably it will not be away from Canada at all that we will have to meet the enemy. His suggestion, for instance, that a small and relatively mobile brigade group is all that is necessary, I am sure would not meet the situation at all.

I was much concerned to read an article not long ago dealing with a probable attack on this country or on the United States. After all, if Russia ever goes to war, it will be against the United States, and I am satisfied her first attack would be against that country. If it is made against the United States it must and will be made through Canada. This article mentioned the fact that in Siberia, a country comparable to Alaska which adjoins the northern part of Canada, there are 25 million people, and that Russia has today some 20 divisions in that part of the world. It was pointed out that these people are not carrying out Sweetbriar operations of 4,000 or 5,000 men, but that they are training many thousands of men for long periods who are well inured to the cold and hardships of that climate. That is something else about which we in this country should be concerned, namely the training of our men in the north.

I commend the minister upon the start he has made. It was small, involving 4,000 or 5,000 men over a period of ten days. My understanding is that it was experimental, and I am sure that the department and the United States authorities gained much valuable information. I am satisfied however that as time goes on the department will realize that our northern areas are the most vulnerable, so far as this country is concerned. There was a time when we thought our north country, because of the snow and ice, and the hardships which would be encountered by men who would fight in that area, was impregnable. Today we realize it is our most vulnerable point.

I believe a committee could assist the minister greatly in studying the situation as it applies to that part of the world. I shall not take further time in this discussion, but I do believe the minister and the government would be well advised to set up a committee of the house to study not only the navy, the army and the air force, but every phase of defence, which includes within its ambit practically the whole life of the Canadian people.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, since the hon. member for Melfort (Mr. Wright) in this debate has made reference to newspaper articles which appeared in the Montreal *Gazette* on Friday and Saturday of last week, having reference to the subject matter under discussion today, and since those matters were raised in the house last Friday on a motion to adjourn, I think perhaps it would be proper if I were to make an explanation and to set at rest once and for all this supposed change in policy in defence purchasing.

The facts are rather simple. There has been no change whatever in policy with respect to defence purchasing. The policy as carried out by the Canadian Commercial Corporation, which does the purchasing for the defence department, is exactly as it was, and as has been set out in its annual report and stated in the house on previous occasions.

As a matter of actual fact the subject matter alleged in the newspaper article to have been discussed was not discussed. It is just a case of a newspaperman having got hold of some facts and then, I am afraid, having gone considerably beyond the facts for one reason or another—whether misinformation or excessive imagination, or for what reason I

do not know. And I do not know that it is the concern of anyone as to what caused him to do it.

I have convened a study club of Liberal members of the House of Commons during the last session and at this session. They have met regularly. As a matter of fact, if it is of any interest to hon. members, they have thus far had four meetings. The subjects under discussion have all been subjects connected with the organization of the department. Emergency import controls was one subject; the economic research and development branch was another; and on March 7, Tuesday of last week, the subject matter under discussion was the Canadian Commercial Corporation. It is purely a factual study group which deals with the system of organization and governmental functions and there was no discussion whatever on that occasion about patronage.

As a matter of fact I think all hon. members will realize that it would be most improper, if such a subject were to be discussed, to discuss it with a crown employee or a civil servant. The whole thing is difficult to deny completely because it is so much out of line with the facts and because it is so ridiculous. The fact that the meeting was held is quite true. It was held in the ordinary course. These meetings have been going on and as a matter of fact there has been some press publicity about certain meetings. I recall last fall there was quite a lengthy front page press coverage about the system of study groups generally. They go on at regular intervals depending upon when the appropriate officials are available. I expect they will continue to go on as long as there is any demand for them.

I think hon. members are quite proper in feeling some concern about the newspaper article, that is the first one, because it does cast a serious reflection. Great expenditures are made by the Canadian Commercial Corporation and it would be a matter of concern if any changes had been discussed or made. No change was discussed or made or suggested in any way.

There is another rather interesting bit at the end of the newspaper article which refers to the managing director of the corporation as having been employed in a minor capacity by Canadian National Railways in Montreal before coming to Ottawa some eleven years ago to take up the matter of defence purchasing. That charge is completely ridiculous. Actually the managing director of the corporation was on the purchasing staff of Canadian National Railways. He was brought here in 1939 and has served to date, always directly associated with munitions purchasing. There was a short break in 1942 when he was recalled to the C.N.R., but I believe that his record is an outstanding one, one that would tend to inspire confidence and indicate competence in this type of work. I am quite at a loss to understand that particular reference in the newspaper article.

Perhaps it would be useful to the house if I read a letter which the managing director wrote to the minister on March 13. Hon. members will recall that the first article was published on Friday, March 10, and the second one on Saturday, March 11. This letter is dated March 13 and reads:

March 13, 1950

The Right Honourable C. D. Howe,
Minister of Trade and Commerce,
Ottawa, Ontario.

Dear Mr. Howe:

In view of the report which appeared in a Montreal newspaper recently, you might be interested in having a word from me as to what actually transpired when, at the suggestion of Mr. McIlraith, I addressed the Liberal study group at the House of Commons on March 7. The majority of those present were new members, unfamiliar with the functions of this corporation.

The remarks which I made were confined entirely to the policy and procedures followed by the corporation. While I answered many questions, the information given appeared to be well received and I sensed no disagreement whatever with the corporation's policy, which, as you know, is to seek out all possible sources of supply, irrespective of any consideration except to provide what is needed in the time required and at the lowest price, and to establish prices and award contracts by means of competitive tenders in all cases where it is possible to do so.

No member attending the meeting suggested that the corporation's policy be altered in any way.

Yours very truly,

W. D. Low,
Managing Director.

Surely that should set the matter at rest for all time.

Mr. Wright: I should like to ask the hon. member a question if I may.

Mr. McIlraith: Yes, by all means.

Mr. Wright: Is the Canadian Commercial Corporation governed by the provisions of the defence purchases act of 1939 in connection with the making of defence purchases? If not, why not?

Mr. McIlraith: I cannot answer the question at this time, but my recollection is that the defence purchases act was superseded by the munitions and supply act. The corporation is now governed by the provisions of the Canadian Commercial Corporation Act. I shall be glad to look further into the point and give the hon. member a further answer at the first opportunity.

Mr. Wright: There were certain safeguards provided by the defence purchases act which are not provided by the Canadian Commercial Corporation Act. Those safeguards should be carried forward into that act.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I am quite sure that all hon. members will be glad to have heard the statement which has just been made by the parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith), to the effect that no change has been made in the defence purchasing policy carried out by the Canadian Commercial Corporation. Taking those words at their face value I must say that it is gratifying to have that assurance. However, I think one would be entitled to remark that it is a pity the explanation was not made earlier because great concern was caused by the somewhat equivocal statement made by the Prime Minister (Mr. St. Laurent) on Friday, March 10, when he dealt with this matter. It will be recalled that his denial, if one could call it a denial, did not go nearly as far as the statement just made by the parliamentary assistant. The Prime Minister simply said that there had been no revolt among Liberal members so far as he was aware. Had that somewhat equivocal statement not been made, the credence given to the earlier reports might not have assumed the proportions it did. That being the case, it certainly is timely that we should have this assurance from the parliamentary assistant.

In commenting on this matter it does seem to me that this whole situation underlines the desirability of having a defence committee which could take as one subject of investigation the methods and procedure followed in making these defence contracts. If the chairman of the Canadian Commercial Corporation is free to appear before a group of Liberal members at the suggestion of the parliamentary assistant, I should think it would be quite proper and highly desirable that that gentleman should appear before a defence committee of the whole house. It seems to me, the fact that these private meetings are taking place reinforces the request that all hon. members should have the same opportunity of frank and free discussion which apparently this group of Liberal members has had.

There is one additional reason why we feel that a defence committee should be set up at this session without delay. Hon. members who have preceded me have referred to some of the occasions on which this request has been made previously. At one time we were encouraged to think that the request would be considered favourably. I intend to refer to one or two of the statements made by ministers which have not yet been referred to in this debate.

On March 29, 1946, the hon. member for Vancouver-Quadra (Mr. Green) asked the then minister of national defence, now the Minister of Finance (Mr. Abbott), whether he would consider setting up such a committee. That is to be found at page 406 of *Hansard* for that date. At that time the leader of the C.C.F. (Mr. Coldwell) made the observation:

> We supported the suggestion last year and we do so again this year.

Mr. Coldwell: And we did so today.

Mr. Fulton: As the hon. member has just reminded me, they have done so again today. At that time the then minister of national defence said:

> I think I assured my hon. friend last year that his suggestion would receive sympathetic consideration, but I pointed out that the time was too short to do something about it last session. But I did promise consideration.

Thereupon the former prime minister, Mr. Mackenzie King, said:

> I think the suggestion of my hon. friend is a very good one and, as the Minister of National Defence has just said, it is one that he is prepared to consider sympathetically. But once again the house will have to ask itself how many committees it can stand. We are enlarging the number and it will have a bearing on the attendance in the house. I think my hon. friend's suggestion of that particular committee is a very good one.

Referring to the question of whether or not the house can stand this additional committee, you will recall, Mr. Speaker, that in the discussions which have taken place since that time on the question of a general revision of the committee structure of the house it has been truly pointed out that many of our committees never meet at all, others only occasionally, and that in fact we could and should have an additional committee which would perform a regular and useful function in enabling the house to have a better grasp of defence matters than we can now have.

Later on in 1946 the matter was raised again. At page 5268 of *Hansard* for August 23, 1946, I asked the minister:

> What is the intention with regard to the defence committee?

The minister replied:

> I was sympathetic to it, as I indicated before. This session, as it has developed, many other committees got ahead of it. It seemed for one reason or another that a tremendous number of important special committees were set up this session, including the veterans affairs committee. I would hope that at another session it will not be necessary for the veterans affairs committee to undertake the stupendous amount of work it did this session, so that at the beginning of another session, which we could perhaps regard as our first normal session of the new parliament, it should be possible to give

early consideration to that question. The real reason why it was not actively considered this time was that there were so many other matters which had to be dealt with that it would not have been possible for members to serve on another committee.

By direct inference the minister there said that the reason a defence committee was not established was that we had a very large and active veterans affairs committee. At this session, in another parliament, the Minister of Veterans Affairs and the government have made it very clear that they do not intend to set up a veterans affairs committee. Therefore on that basis there is no reason why we should not, particularly at the beginning of a session, in accordance with the suggestion of the minister of national defence of that day, have a defence committee established at this time.

Later on in 1948 when the present Minister of National Defence (Mr. Claxton) was dealing with this matter, he made it clear at that time that he was not definitely opposed to the idea of a defence committee. He was asked about it again by the hon. member for Vancouver-Quadra, and in reply is reported at page 5807 of *Hansard* for June 24, 1948, as follows:

The hon. member for Vancouver South again raised the question as to whether the government would entertain the possibility of having a committee on defence matters. As I pointed out when that question was raised last year, my own personal inclination would be in favour of that course. I can see quite a few advantages from my own point a view as minister in having an opportunity of talking things over and having them explained in such a committee. I must say, however, that the suggestion raises considerations far greater than any such personal inclinations, and those considerations I have put before the house and this committee on a previous occasion.

The minister was referring there to his statements made at other times that he was not altogether easy in his mind about the enlargement of the committee system because, as he said, he felt it would lead to the same committee structure as they have in the United States. He went on to say:

I do not do so in any final sense. . .

That is to say, he did not put forward these reasons or any opposition to the committee in any final sense. Therefore we have reason to hope that the minister still has an open mind, and I think we should have reason to hope that we can, upon the arguments presented this afternoon, perhaps bring the minister around to the point where he would favourably consider the setting up of such a committee. I should remind you, Mr. Speaker, that at one time the minister held definite views in favour of the setting up of such a committee. I am not going to suggest that no one is entitled to change his mind, and indeed the minister has been very frank in the past to say that on reflection he had changed these views. I hope he will allow us to suggest that on reflection we feel that his previous views, so firmly held, so clearly expressed and cogently argued in an article which appeared in 1943, I believe it was, were correct, and that his present views are not as sound as his former ones.

It seems to me that in defence at the present time, more than in any other aspect of our national life, there is need for as near an approach as we can get to a bipartisan policy. I think the need is even greater than in the case of external affairs, but surely it is not reasonable to expect that we can accept and support wholeheartedly without criticism a policy the reasons for which and the implications of which we do not know, and the background of which we have no means of understanding. Admittedly we criticize the minister and the government. It is our duty as the opposition, but I think I can assure the minister that in so far as we can properly do so we desire to facilitate his work in the building up of our defence forces, and we desire to co-operate to the fullest possible extent in the work of perfecting Canada's defence machinery. It is impossible to expect that we can do that unless we are taken into the confidence of the minister and the government, and have an opportunity of examining all the facts and factors entering into the decisions as to defence policy so that we can know the reasons behind the policy and accept and support it fully. If that is not done I suggest that we will find inevitably an increasing divergence of opinion with regard to national defence, and in fact an inevitable tendency towards criticism and pure opposition in this house.

In a matter so vital as national defence, a matter which concerns us all so personally, then as the member for Calgary East (Mr. Harkness) pointed out if we are continually to be held at arm's length in spite of efforts to co-operate, we can only come to the conclusion there is a desire to prevent us from co-operating, if indeed there is not an actual attempt to hide something. I appeal therefore, to the minister, and I assure him of an absolute desire on our part to co-operate to the fullest possible extent in this matter. I can assure him that, if he were to extend that opportunity which can only be extended through a defence committee, he would find that the gesture would not be abused but would be used to the benefit of himself and of Canada in formulating and supporting defence policies for this country.

The other reasons why I think we must have a defence committee are suggested by a study of a book to which reference has already been made earlier in this session. It

is one of the most complete studies of this question of defence under modern conditions, and is entitled "Modern Arms and Free Men", by Dr. Vannevar Bush. As Dr. Bush gives the outline of what he considers to be a workable defence plan for a free democracy under present-day circumstances, it seems to me he suggests that most weapons of offence, most weapons for delivering attack on a massive scale, have now produced their own defence. He says that the process was going on during the last war, but that defence had not yet caught up with offence, or the means of delivering offence by way of mass bombing and so on. Now, with guided missiles, the defence against these mass attacks has, to a large extent, been at least brought into existence, even if it is not yet effective in an absolute sense. He emphasizes the necessity, therefore, for a highly competent defence network, a defence network which will eventually be manned at a high degree of readiness.

The author does warn against the perils—I do not think the word is too strong—of going too fast in setting up this defensive network. He also emphasizes the need for a highly compact striking defence force. This striking force would act not so much in the offensive role in the over-all sense, but would in fact be available to strike back at an enemy immediately after he had struck us. In that sense, it is regarded as a defence force. The necessity for a warning screen against surprise attack is also emphasized. All these considerations, Mr. Speaker, seem to raise new factors for discussion. They raise new elements which must be considered in the framing of our defence forces, and the assigning to its various components of the major or lesser roles. This study paints a picture of defence which is quite different from and much more complicated than anything which we have previously faced. That, it seems to me, points immediately to the corresponding necessity for a committee to give these problems the closest and most realistic study, and to consider the means and methods by which they can be met.

Incidentally, again without a desire to criticize unnecessarily, it does occur to me that, bearing in mind what Dr. Bush has said about the necessity for a highly organized and constantly ready striking force, Exercise Sweetbriar has proven—perhaps it was designed to prove it, as I know it was designed to test it—that today Canada does not possess a force capable of completely fulfilling the role of a striking defence force. As we have seen from the reports, while our personnel are trained, ready and willing, the transports are not available to build an offensive, or to make it possible for these forces to carry out that role under northern conditions. I believe that is a matter which should be studied by such a defence committee. The committee should know what steps are being taken to remedy that defect. Indeed some of the members of that committee might be able to suggest a means by which the defect could be remedied more quickly than otherwise would be the case.

Certain passages of Dr. Bush's study should, I think, be considered by the house as indicating the need for a committee. At page 53 of this paper-bound volume which I have, Dr. Bush states as follows:

> The major effort—

That is in building up a defence force.

> —should go into bombs and their delivery, until logic shows that a substantial defence effort should be added. Logic at some time will give the warning. The point will be reached at which investments in defence installations will so reduce the ability of the enemy to reach the target that this indirect effort will pay higher dividends than a direct one. It will make it more certain that if war came we should win quickly, and at a minimum net damage to ourselves from every cause. To estimate the arrival time of that point early enough to launch programs needing several years for consummation will call for pre-eminent organization for intelligence and analysis. We do not have—

Speaking of the United States.

> —such organization now, and if we value our safety, we had better get it. It will not do to bungle through, in the type of contest we are now engaged in or in the kind the future may produce.

The author goes on to point out that we should concentrate on this intelligence system, and should not rush into attempting to build up a great over-all defensive network now. If it is a fact, and Dr. Bush states it is a fact, that the United States does not have such an organization now, I think it is a fact, and at least until the minister tells us differently I take it to be a fact, that Canada has not. Admittedly, that is the opinion of one man, but one pre-eminent in his field, who states that should be the first step in our defence thinking. I believe that matter is one which should be reviewed by a defence committee, with respect not only to the actual building up and arming of our forces, but to the over-all defence planning as well. It is an approach which could be made in a non-partisan co-operative spirit.

Then Dr. Bush deals with the necessity, while we are undertaking this over-all planning and the building of our purely defence system, of guarding against surprise attack. At page 54 he says:

> Here we need to treat the surprise attack as a part of war in the open, for one thing is certain: If another great war is started by a dictator, it will be opened by a smashing, great, surprise offensive calculated to paralyse us before we are aroused.

A little later, at page 55, he says:

> In a dictatorship it is different. A surprise blow on a small scale would not be staged even by a

dictatorship. It would be large, or it would not occur, for arousing a people fully by a small treacherous assault backfires. Those who study war have realized this fact since Pearl Harbor, if they did not know it before. But a dictator, if his control were tight enough and his iron curtain utterly impenetrable, might stage a large surprise opening when he decided to go to war.

So Dr. Bush says we must guard against this surprise attack. He makes certain suggestions as to how that could be done. He refers again to the necessity of staying on the alert and building up this efficient, highly organized intelligence system to warn us of any move which the enemy may make. He then goes on again to say:

We can do no more than this. We can decrease the value of surprise by staying alert, to some extent even in peacetime. We cannot reduce the surprise factor to zero, but we can cut it heavily. This does not mean that we sit with every post manned and every gun cocked throughout the years; to do so would be overly expensive and our efforts would be better placed elsewhere, for we should slacken in time if we tried to be thus continuously vigilant. Short of this extreme of having every man poised and at his post, we can do much.

One element of our strength should indeed be ready and straining at the leash. That is the retaliation force.

A force to which I referred earlier.

It is the force that would strike back within twenty-four hours of the time the first bomb fell, remorselessly, through every obstacle, pressing its attacks home, before enemy defences were working smoothly, for they will be less effective then than later, even if alerted.

The planes of the retaliation force must always be fully equipped and ready to fly, its bombs must be ready to go off, its every element must be so protected that the most severe surprise bombing cannot impede its launching. Its crews must be highly trained, fully briefed, and tested by frequent exercises. There should be an inspection system independent of the line of command up to the very highest echelons, to ensure that there is never any slackening in this picked group or any false assurance. The members of the force should be young, and rotated in duty, for men cannot stand the strain of being thus poised for long periods. But, in comparison with our full military power, the force may be relatively small.

If we just pause and consider that quotation, I think we can see inherent in the very idea he advances there the necessity for a constant review of our defence planning and system, as he himself puts it, not only by the government which naturally would be, shall I say, predisposed to view with satisfaction the plans which they themselves have prepared and put into effect, but a review, constantly and impartially, by a body such as a defence committee of the house, whose members would bring an impartial view to bear on these plans. Again I say that that review would be undertaken not necessarily in a critical attitude but in the desire to bring to bear on the problem the collective views of those who all have a joint interest in it and have something to contribute even though—and I grant the minister this point—they do not have, under our system, the immediate responsibility for carrying out the plans. To a considerable extent they might, because of that very factor, be able to contribute more usefully to the formulating of the plans and to an impartial criticism of them.

Another suggestion made by Dr. Bush, which I think can best be implemented by this defence committee, is found at page 56:

This is not the only thing we can do to decrease the potentiality of the surprise attack. Later on we can build defence systems and contrive to have them alert and ready. In the meantime our entire military system can be ready, even if it is not at all times acutely alerted, and as affairs become tense there can be means for placing it in this latter condition before a blow falls. We can build a civilian defence system and see that it is ready to cope with disaster.

The principal element of our preparation for possible surprise attack is an intelligence system of high effectiveness, capable of warning us clearly if an attack is being prepared. No iron curtain is utterly impenetrable. The operations necessary to set in motion a major surprise attack are ponderous and far-reaching. Dictatorship and oppression produce individuals who dare to flee and then dare to talk. . . . We need a modern intelligence agency in every sense of the word, using modern methods as they were partially developed during the last war, not a musical-comedy affair or a stodgy refuge, not even the half-successful affair we now have, but an organization qualified to meet our needs in this kind of world. It can cut down the threat of surprise attack. It does not cost much; by all means let us have it.

Then continuing he says:

We ought to know how to build it. . . But the really able men who functioned then—

That is, during the last war.

—have largely scattered into civilian life, the type of ability needed is rare, and the work is not attractive. The task can be done, by an individual of great mental and organizational capacity, having ample authority and the full backing of the President of the United States. As we value our peace of mind we had better be about it.

There, it seems to me, is a line of thought which suggests a new departure, a new element, in our over-all planning for defence. There is on the one hand the necessity for a radar screen to give warning against surprise; but there is the further suggestion of Dr. Bush that it is impossible and unrealistic to build up a complete defensive barrier around all the borders of your country but that your defence must be concentrated at key points. As all these points raise at least fresh thoughts, if not entirely new matters, it follows that in dealing with those thoughts and in working out the practical application of the solutions of the problems, a defence committee could contribute enormously to the work. But most important of all, as I have suggested before, a defence committee could bring to the supervision of that work the constant and co-operative effort of the best minds of those in all

sections of the country who are vitally interested in, and anxious to serve in working out, Canada's defence policy.

Mr. Ray Thomas (Wetaskiwin): I shall take only a moment or two, Mr. Speaker, but I should like to say that, in view of the international situation as it is today, I recognize not only the value but the necessity of setting up a committee such as the one suggested. It is true that under the estimates we have an opportunity of discussing these things; but it appears to me that the discussion on the estimates generally evolves into a political battle. The appointment of a committee would make it possible to have a wide open, heart-to-heart talk at its meetings, and as a result of these discussions, we could gain a great deal more useful information than we now get.

We realize, of course, that it would be impossible to expect to get any of the top secret information, but we could gain knowledge of material that would give us a much better understanding of Canada's defence position. This would help the average member greatly, in that he would be able to go back to his own constituency and give to the veterans' organizations there words of assurance backed by a knowledge of the facts. That is all I intend to say, Mr. Speaker. But in view of the situation, as I said before, we intend to support this motion.

Mr. Rodney Adamson (York West): In rising to support the amendment of the hon. and gallant member for Nanaimo (Mr. Pearkes) I do so for one or two reasons which I think the house will be interested to hear.

In the past the Minister of National Defence (Mr. Claxton) has always opposed the setting up of a defence committee. He has opposed it for what appeared to him to be good reasons. He said that the setting up of committees in the congresses of the United States took away from the executive of that country executive powers of legislation. Were any committee to be set up in this house which would take away from the executive the powers and the responsibilities of governing the country I too would be opposed to it and for the same reasons. However, that is not the case.

We have a parliamentary system under which the government controls the House of Commons, and the responsibility of government is directly through the house, which is controlled by the government. Therefore I say, Mr. Speaker, that no committee set up here could possibly take executive powers away from the government. For that reason I suggest that the previous main arguments of the minister are false. He advanced other arguments. He said that it would interfere with the operation of the services; that it would jeopardize the free operation of the three armed services and would, in other words, cause inefficiency amongst the services. I feel that that also is an unwarranted assumption.

If the recent experience in the United States is of any value to us in Canada—and I suggest it is, and I am going to quote the reason why I suggest it is of value—it is this. The recent widely publicized quarrel, call it that, among the three services has done more to bring about unification of those services in the United States and to build good will now and in the future among those services than had the issue of the continued petty jealousies been suppressed and kept under cover.

There is another reason I come to, namely, the danger of the people of Canada considering the heads of the defence services as top brass. If there is any country in the world that loves peace it is Canada. There is no country in the world where the man on the back concession distrusts the brass hat as much as Canada. For that reason, and for that reason alone, I suggest that it would do an inestimable amount of good to give the heads of the three services, the technical experts, an opportunity to state, to this house and to the country, their case for the expenditure of $400 million.

In this connection I want to quote Albert Einstein on the military mentality. I shall quote one paragraph of what he had to say:

> It is characteristic of the military mentality that non-human factors (atom bombs, strategic bases, weapons of all sorts, the possession of raw materials, et cetera) are held essential, while the human being, his desires and thoughts—in short, the psychological factors—are considered as unimportant and secondary. Herein lies a certain resemblance to Marxism, at least in so far as its theoretical side alone is kept in view. The individual is degraded to a mere instrument; he becomes "human material." The normal ends of human aspiration vanish with such a viewpoint. Instead, the military mentality raises "naked power" as a goal in itself—one of the strangest illusions to which men can succumb.

There is considerable fear among the civilian population, among the peace-loving people of Canada, who want one thing only, namely, to be left alone, that the military mentality may upset them. Hon. members will recall that during the war men were referred to as bodies. They used to say: "Give us twelve bodies or fourteen bodies to do a certain job." This phrase became so prevalent that orders were issued from many headquarters stopping it. That I think shows the danger of the military mentality. If the military authority talks to a committee of the house, his problems and the problems of the defence of this country become a

great deal more apparent, and I submit it would make the job of those whose business it is to create efficient fighting forces much easier, because of the sympathetic hearing they would have from the committee.

I feel that the experts should be allowed to tell their stories and to state their difficulties so that the information that we get in this house and pass on to the people would be complete or as complete as possible. Not only that, but the costs, the hundred and one different matters of defending this country would be dealt with in detail.

The committee in the United States, about which there was so much controversy, has recently made its report on unification. As the house will recall, the most bitter feelings between the United States navy and the United States air force were engendered by evidence given before that committee. The house will also recall the bitterness that existed between the two services. As I say, the committee has made its report. The report, except for one section, which had to do with one officer, Admiral Denfeld, was unanimously adopted. I will quote four of the most important sections.

They are of sufficient importance to quote verbatim to the house. Section 11 of the report had this to say:

> A political body cannot of itself reach, through deliberative processes, final answers on professional military questions but must depend upon and encourage a continuation of the process of exploration, study, and co-ordination among our officers of the several services to preserve a satisfactory doctrine of defence, to have ready applicable plans, and to devise units, suitably equipped, to meet the most probable circumstances of any emergency. The significant thing is to ensure that the national-defence structure ensures adequate consideration of all professional views, especially during these early days of unification.

I may say that every word of that is germane to our situation in Canada, because we too are going through a unification of the three armed services, and we are also facing problems identical with those faced by the United States. There are two more paragraphs in the report, which form part of that section to which unanimous agreement was given by all thirty-three members of congress. While I commend the whole report to the house, section 22 is in these words:

> Civilian control of the nation's armed forces is integrally a part of the nation's democratic process and tradition; it is strongly supported by the committee. But in supporting civilian control of the armed forces, the committee does not mean (1) preventing free testimony before congressional committees by members of the armed forces, or (2) the relegation of the United States congress to a bystander role in issues pertaining to the national defence.

Does this House of Commons want to be placed in the role of bystander in connection with national defence? I do not think so.

Sections 30 and 31 deal with appropriations. Section 30 states:

> The appropriations committee should augment its staff in order to keep in intimate touch with the development of national defence budgets, thereby easing the stresses and strains in the Pentagon and keeping the congress adequately informed on basic national defence planning as reflected in budgetary plans.

There is a definite suggestion that a committee of the house assist the high-ranking officers and act as intermediary between the congress and the three defence forces. I suggest such a body would be of great help in this country.

Then section 31 states:

> The management committee of the Department of Defence should be placed under the direction of the comptroller of the Department of Defence on all fiscal and budgetary matters.

Those are four parts of the report which was produced, admittedly, after considerable heat and after the development of a good deal of bad feeling among the three services. It was, however, a report which, apart from one clause, was accepted unanimously by the thirty-three members who produced it. It has always been the supposition that the heads of defence departments, such as the chiefs of the general staff, the joint staffs committee and their subordinates or experts in the weapons production branches, would not be able to say anything concerning their knowledge of the services. Here again I disagree, and call as witness the United States chief of naval operations, Admiral Forrest P. Sherman, who has given a most extensive interview on a question and answer basis, to a periodical known as *U.S. News,* which is published in Washington and is of a semi-official nature. I am sure the admiral would not have given the interview had he not had the full co-operation and consent of the executive and of the entire defence department in the United States.

These are the sort of questions the answers to which we would like to know in Canada. The head of the United States navy, and chief of naval operations, with the consent of his government, gave a most illuminating interview in which he answered many specific questions, just the kind we would like to have answered in this House of Commons. I believe hon. members would be interested in the kind of questions asked and the answers given. Here are some of them:

> Q. Do we have an over-all plan? Is there an over-all strategy?
>
> A. Definitely yes. There is and must always be an over-all plan and it must be revised each year in the light of the world situation and our military capabilities.

Then he goes on to discuss financial matters, which I shall not deal with at this time. Following that is a discussion of the subject which most interests the admiral, namely, the size of the United States navy and the decision to put the only battleship of that navy into a condition where it became a training ship, and would not be on active service.

With respect to cruiser strength, the questions and answers are these:

Q. The other day we noticed in the papers that the decision to make the *Missouri* a training ship and, with the reduced cost, use part of the money for an extra carrier was cleared by you through the joint chiefs and the secretary of defence; is that a new procedure?

In his answer he proceeds to deal specifically with cruiser strength, in these words:

Since I have been here I have proposed to the joint chiefs of staff, and obtained their concurrence and the approval of the secretary of defence in three separate propositions:

The first was the retention of thirteen cruisers instead of twelve, in order to permit us to provide Admiral Conolly (Admiral Richard L. Conolly, Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean) with a permanent flagship and also have six in each fleet for rotation to the western Pacific and the Mediterranean, on the basis of two ships in each relief, which came to a total of thirteen cruisers, as now required. This was instead of the twelve which had been agreed upon previously.

I quote that not because of its significance as part of the over-all defences of the United States but as an example of the detailed type of information which is being given by the highest authorities in the United States. Here is another question that was asked:

Q. How many landing battalions will that mean—eight?

A. Well, the commandant of the marine corps prefers, and I agree with him, that we talk in terms of marine divisions instead of the smaller components. The infantry battalions in each division will probably be more than three—nearly four. It will result in increasing the infantry component in each division by a third over what could have been accomplished otherwise. That will be done at the expense of service units, administrative units, security detachments, and so on.

Then he goes on to give further details. I submit that here are being given details about formations which we in this house and through us the country have every reason to expect will be given to us in regard to our own forces. There is a very pertinent thing here with regard to carriers and I quote:

Q. Is there any indication that the flush-deck carrier is the carrier of the future?

A. We believe we must eventually get into flush-deck carriers to handle the heavier and faster planes of the jet type.

There is information as to the different type of carrier that is necessitated by the heavier impact and faster landing of jet planes. I am sure the minister has read this article but I think hon. members will be interested in it. There follows a discussion of Russian reserves, and then there is reference to the reserves of the United States as follows:

Q. Are you satisfied with the progress you are making in maintaining reserves?

A. From what examination I have been able to make of the naval-reserve situation, I believe that our organized reserve is in a very healthy condition. Our voluntary reserve is quite large, but, of course, the effectiveness of the individuals is not being maintained to the degree that the organized reserve is. We have roughly 200,000 officers and men in the organized reserve and about 800,000 more in the volunteer reserve.

You might be interested to know that I have recently changed the organization of my office to make the assistant chief of naval operations for reserve matters responsible directly to me and thereby permit me to keep in very close touch with naval-reserve problems.

Then follow details as to numbers and classifications and types of reserves. Then the article goes on to deal with the Russian air force and the submarine question, and I want to quote the next question and answer:

Q. In case a war breaks out, would you have to wait for the reserve fleet to be taken out, or would you have enough strength to go ahead and start an initial blow with what ships you have? Would submarines, in other words, be able to stop our present navy?

A. That is a rather complicated question.

And later on:

We haven't as much anti-submarine strength as we would like to have. In the event of an emergency, we would need additional anti-submarine craft immediately—escort carriers, destroyers, patrol planes—all the elements of anti-submarine forces would have to be expanded very quickly. However, that situation would not cause us to delay using our offensive forces.

I have quoted these questions and answers because I feel that this is the sort of information our defence committee could obtain from the high officers in the armed services. There has been a candid admission of the situation with regards to the anti-submarine defences of the United States. If we had a candid admission that we needed so many more escort vessels, so many more radar screens, so many more anti-submarine devices, so many more submarines, or so many more of the other modern devices, hon. members of this house could go back to their constituents and say, "All right, it is going to cost us $400 million, or maybe more, but from the evidence given to me I know that if we want to preserve this country we have to have these things."

At the present time I cannot do that. I go back to my constituents and say that the minister has said so and so, but my constituents say, "The minister is a member of the government and is bound to say everything is O.K." I submit that it would create a more healthy position if members of this house could go back to their constituents and say that these expenditures were necessary because the information had been given in the

committee on national defence. It would be information and not just a statement made by the minister standing in his place in the house and replying as briefly as possible to a question.

There are sombre, serious and even appalling possibilities in the hydrogen bomb. I should like to quote Professor Harrison S. Brown of the department of nuclear physics of the university of Chicago who I understand is one of the scientists working in the Argonne laboratories where the hydrogen bomb was either conceived or will in large part be put together and produced. He has this to say about the effectiveness of this weapon:

> Few of us fully appreciate the enormous potentialities of the new weapon for destroying life. It has been stated many times that the bomb, if it works, can be used to destroy entire cities by the blast effects. That is horrible enough. But unfortunately the destructive potentiality of the hydrogen bomb does not stop there. If the bomb works at all, there may well be no upper limit to the size of the explosion that may be created.

Then he speaks about the calculations of the force of the explosion and goes on to say:

> . . . the amount of destruction due to radioactivity from a hydrogen bomb could far exceed the destruction due to blast.

This extremely sombre statement follows:

> If the hydrogen bomb works, technically speaking it is easy to visualize a series of explosions carried out along a north-south line at about the longitude of Prague, in Czechoslovakia. The radioactivity produced by the explosions would be carried eastward by the winds destroying all life within a strip 1,500 miles wide, extending from Leningrad to Odessa, and 3,000 miles deep, extending from Prague to the Ural mountains. By the time the radioactivity passed the Urals, the intensity would be lower, and the destruction would be less. By the time the Pacific had been crossed and the west coast of America reached, the radioactivity would not be dangerous. Many human beings could survive such an attack by protecting themselves with shielding and wearing gas masks to filter radioactive dust, but radioactivity is not specific against human beings. Animals and vegetation within the area would be destroyed. Such an attack would produce a scorched earth of an extent unprecedented in history.
>
> The United States could be attacked in a similar manner. Hydrogen bomb explosions could be set off on a north-south line in the Pacific, approximately 1,000 miles west of California. The radioactive dust would reach California in about a day, and New York in four or five days, killing most life as it traversed the continent.

That, Mr. Speaker, is a statement of one of the principal nuclear scientists of the United States. Complete and absolute devastation of literally thousands of square miles and every living thing thereon is envisaged. Today we are spending $400 million on defence. We are spending some $600 million for all social security and welfare services. If this sort of weapon can be used against us all the money we spend on everything else other than national defence may be completely wasted. I suggest that this issue transcends every other issue facing the Canadian people today. It is an issue on which we cannot afford to be kept in ignorance. If it is necessary even to double the expenditure on national defence in order to preserve our lives and to preserve Canada we should be told about it. We should know about it because in the hands of this parliament rests the responsibility for the peace, welfare and security of the Canadian people. I therefore support the amendment.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have just three things to say, and I will say them in two minutes. The best preparation against war is the elimination of hate. I have heard cabinet ministers and the leader of the opposition (Mr. Drew), when addressing church organizations, say that the churches had the cure. What do the churches do? They believe in the providence and direction of the Almighty. They believe that peace will win, and if we can instil peace and love in the hearts of the enemy instead of hate we will win.

There is another thing I should like to say. I congratulate the Minister of National Defence (Mr. Claxton) on the fine display we saw last Saturday. I saw more than aeroplanes, and others did too. It was a chilly Saturday morning and some of us were cold. I thank the minister for the hot refreshments he served which warmed us from head to toe. A man like me could take lots of it because we could walk away as sober as when we came there. That suggests to me the thought that we have to be careful in the provision of stimulants to our youth under twenty or twenty-one years of age in the army, navy or air force. No man can give his best to his country if he cannot think clearly, and if a man has two, three, four or five hot Scotches in him then he does not think clearly. I do not drink because I do not like the look of some other people and how they act when they are under the influence. I do not like the taste and I have not a steady enough head to carry it.

Coming back to my first point, the best cure for war is to be found in the words of Sir Wilfrid Laurier, that great prime minister, that love is stronger than hate and faith is stronger than doubt. If we practise this we will drive out the devil of hate.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, March 7, consideration of the motion of Mr. Maybank

for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. O. L. Jones (Yale): Mr. Speaker, in speaking on this bill last week, I outlined the visible support in our province behind the suggestions we have made to the sponsor of the bill that the pipe line should go through British Columbia. Since then, I have had a great deal more evidence of the public support of our efforts in British Columbia. Boards of trade and other groups, as well as many individuals, have plied me with letters requesting that we carry on the fight to prevent this valuable natural asset from being taken to the United States. We have tried to answer those letters as best we could, but it has been difficult to explain why a private bill such as this apparently has a priority which I have never seen given any other private bill.

Naturally, one wonders why this is so. I do not know the reason behind it, but I am satisfied that the people who are fighting to have this pipe line taken directly to the United States are totally unaware of the possibilities this pipe line offers for developing our own country. I, therefore, put it down to possible ignorance or indifference. Perhaps it is due to the impression these people have that money can be made quickly by taking the gas to the United States. On the other hand, I believe a long-range policy of conservation, and utilization of this natural resource in our own country, would pay big dividends over a period of years. I can quite see why a private company is anxious to take this gas to the easiest market as quickly as possible, and as cheaply as possible. It is true that they may derive some immediate benefit from the profit point of view, but I assure you that the public of Canada as a whole, and particularly the people of British Columbia, would be the losers. Any recompense given by the ultimate consumer to the private company would bear no comparison with the benefits that could be derived if we were to use this gas in the development of our own country.

At times I wonder if we lack that pioneering faith we had in the early days, when the Canadian Pacific railway first decided to cross the country. I am sure if that company had come to this house, and requested approval of a route through Spokane, Tacoma and then possibly to Vancouver, it would have been turned down with scorn. I cannot conceive any government granting the privilege, nor can I conceive of any public-spirited body of men requesting that privilege of the government. It is true that the same arguments could have been used then as they are today. The Canadian Pacific could have said that there were several flourishing towns in the United States, filled with people who would use the passenger trains, freight trains, and so on. On the other hand, there was nothing on the prairie. Such a statement would have been correct. These men had vision. They could see a future for the territory through which that railway was going to travel. They could see hope for a bright future for the youth of that day. With men of vision at the head of the government, they entered into what has proven to be a major development in Canadian history, the bringing of the railway from east to west.

I am satisfied that modern youth is just as adventurous. It is as capable of developing the utilities and factories in the wake of a pipe line as our fathers were in developing things in the wake of a railway. The other night the member for Camrose (Mr. Beyerstein) mentioned some of the possible developments that could follow in the wake of this gas pipe line. I have heard questions about the industries that could be developed, so I was pleased when he placed a list of them on the record. I should like to read what he said:

> Visible in the west are the materials for every type of plastic, for virtually all the major industrial chemicals and electro-chemical products. There is, here, the material for rayon, for nylon, synthetic rubber, phenolic and cellulose plastics, carborundum, graphite, cyanamide, acetylene and its host of relatives.

He could very well have added other industries to the list. British Columbia has not only those raw materials, but many more and base metals that could be used if the power were available. I am thinking of a cheap power such as natural gas. Cheap power is one of the essential elements, if a modern industry is to produce for the competitive markets of the world. It is for that reason we are anxious to get this type of power in British Columbia. To the south of us, they are fully conscious of this fact. If one goes to Texas, or some of the other southern cities in which industries have been developed as a result of natural gas or oil, you will find enthusiastic, prosperous cities. I have in mind Houston, Texas. Recently I was talking with an engineer, and he pointed out that no Canadian university offers a course in petroleum engineering. I do not know of a single Canadian petroleum engineer. Most of them are Americans and work in the United States oil fields or overseas. This means that Canadians are entirely dependent upon information and technical instruments obtained from the United States in the development of our natural

resources. All this is the result of the fact there are no facilities for training petroleum engineers in Canada.

In the city of Houston there are 280 industries which owe their existence directly to the fact that natural gas was piped into the city. Each of those industries is large. I could mention several of them, such as explosives, chemicals, dyes, and so on, but anyone conversant with what is possible with natural gas and oil will know what I mean. I should like to read to you what an expert has to say about the possibilities. This expert, by the way, was speaking of the areas in the United States that are likely to benefit by the exportation of our natural gas over the border. He is W. Frank Prendergast, assistant to the president, public relations, Imperial Oil Limited, Denver, Colorado. He made the statement in October of last year, and I will quote it in part:

> It is impossible to predict at this time just how much the oil developments in Alberta will mean to your member areas, jointly and severally, as time goes on. Already they have meant a great deal to Alberta, to the prairies and to Canada and will mean more and more as the years pass. So far as you here in the United States are concerned it must be to your advantage to have a neighbour—that is a friendly neighbour—who is strong, and what country can call itself strong today if it is grievously deficient, as Canada has been, in petroleum?
>
> Again, it should be encouraging to all of us to know that there are large new supplies of petroleum close at hand for many of us and accessible to all if required.
>
> Then there are the enormous reserves of gas that I referred to—some 6,000 million cubic feet and much more in prospect. This might well become an available raw material for new industries in some of your member states as well as in Canada, or you may have materials south of the border which could be exported for manufacture or processing in a region so rich in gas.

That is one suggestion I should like to make, that we offer to our United States cousins facilities in this country to utilize the gas in the area in which it is produced rather than pipe the bulk of it out. The statement goes on as follows:

> In that event Canada's improved exchange situation resulting from her lessened dependence on U.S. dollar oil might be of consequence.

Then he goes on to point out to this committee:

> The area which you collectively represent is a continental area without the advantage of low-cost water carriage for its trade and commerce and so it faces more complex problems than areas which had the advantages of low-cost transportation from sources of raw materials and to major markets. Consequently its development—and I believe that in the next score of years it will be an enormous development—will set a pattern new in many important respects. It is a pattern that will evolve from the application of individual and collective imagination and initiative to the many problems and manifold opportunities. Of these opportunities it seems to me that none today holds out a greater promise than the enormous new resources that are being found and developed in Alberta.

Some time ago those reserves were estimated at 5 billion barrels of oil and 6 billion cubic feet of gas, enough to carry on for many years if properly developed and conserved.

I have here another statement that I should like to read into the record, as to the approximate reserve that is available, because I am satisfied that we in this parliament are not conscious of it; otherwise we would not be hastily trying to get this bill through, knowing what will happen in the future. The statement, which by the way was written for this month's issue of *Canadian National* magazine, reads as follows:

> With an estimated oil reserve of some 1,100 million barrels and reserves of 6,000 million cubic feet of natural gas in the province of Alberta, Canada is in the midst of the greatest oil and natural gas development in her history, according to S. W. Fairweather, vice-president of research and development. Edmonton, in one of the most active areas of oil exploration in the western hemisphere, is "oil capital" of North America.
>
> In a concise, chronological report on the Canadian oil development, complete with maps and charts, Mr. Fairweather traces the development from the first oil discovery in the Turner valley in 1914 up to the present unprecedented activities.
>
> The discovering of light oil near Leduc, 18 miles south of Edmonton, in 1947, is shown as the beginning of the present Canadian oil "boom." In less than a year, developments proved the presence of a major oil field extending from Leduc across the north Saskatchewan river to the Woodbend district. Up to the end of 1949, drilling in this field alone has indicated a reserve of 250 million barrels of oil and 500 billion cubic feet of natural gas.
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> Since the Leduc discovery, the railway economist declares, oil of a similar quality has been found "almost all around Edmonton;" at Joseph lake, Whitemud, Golden Spike, Barrhead, Bon Accord and Redwater. The Golden Spike discovery well is remarkable for a thickness of oil-bearing formation that exceeds 500 feet. The Redwater field, with an indicated reserve of 500 million barrels, is the largest oil pool yet discovered in Canada.
>
> Pincher Creek, south of Calgary, has the deepest successful well ever drilled in Canada. It was recently brought into production at 12,500 feet with a record potential of 83 million cubic feet of wet gas per day.
>
> The Lloydminster field, situated astride the Alberta-Saskatchewan boundary, which came into production in 1943, still constitutes the largest known reserve of heavy oil in Canada.
>
> Exploration is now spreading into the sedimentary areas of British Columbia, Saskatchewan, Manitoba, and northern Alberta, Mr. Fairweather says. Oil in quantity was recently discovered by Imperial Oil, Limited, at Normandville, thirty miles south of Peace river and 210 miles north of Edmonton.

I have tried, Mr. Speaker, to indicate to you that this is a long-term proposition because of the vast known and potential reserves. I have tried to point out to you that here we have an asset which is equalled by no other that we know of in Canada today. While possibly wheat and timber have built up our

country up to the present time, this age is becoming more mechanized day by day; and day by day there is a greater demand for the products of Alberta oil and natural gas. Yet instead of conserving them and developing them to our interest and benefit, we are deliberately allowing them to be taken south of the border to be exploited by people whose interests are merely commercial ones for profit and are not those of Canadians. I feel that we should not only be looking forward now to replacing some of the spent wealth we have had—and we have spent it possibly recklessly—in timber, mines and so on; I believe we should be looking for some other source of wealth that would be steady, and that we should profit by the experience we have had with regard to exploitation, and should conserve it and make it do its utmost to build up Canada. By proper conservation and development this very thing could be done, bringing a balanced economy particularly to us in British Columbia, in the interior, where we are dependent entirely on mining, lumbering and agriculture, and especially in the district from which I come where we depend mostly on fruit. I can assure you, Mr. Speaker, that we badly need that balance to our economy and we see here—and that is why I am fighting so hard—the very thing that would bring that balance and bring to our industries secure prosperity for years to come.

I understand that some objection has been made to the routes. Some say that it is too dangerous to have the pipe line alongside a railway on account of slides. I should like to point out that obviously the pipe would be on that side nearest the cliff; and the side nearest the cliff is usually the best protected from slides because they generally cross over. If the corner is protected—and the corner is protected, it is true—it slides over and takes the railway away. So the safest part for the pipe line obviously is not at the edge where it could be washed away but hugging the cliff where it is to a certain extent protected. But we are not entirely dependent on following the railway anyway. I do not believe that the route of the trans-Canada highway will have any very steep grades along any of its mileage through British Columbia. For all practical purposes it does not matter which one you decide on, the northern, the southern or the middle route. The three routes are of such a nature, so far as grade is concerned, that a pipe line could very well be put alongside the road through to Vancouver.

I hold in my hand a report which I should like to read if I had the time. It was made by Ford, Bacon and Davis for the Westcoast Transmission people. In this report they point out that an ideal route lies between Edmonton and Vancouver, through the Yellowhead pass. These people are experts on that kind of thing. It is their declared and published opinion that that is an excellent and feasible route through which to reach Vancouver. I suggest that we could possibly ignore both roads and railways, if necessary, because I understand passes are now known, through which it would be possible to lay a pipe line, but I am not going into that. Suffice it to say that the engineers are on record as saying that they have a feasible route, a cheaper route than through the United States, to reach the coast.

Personally I would favour the government taking over the pipe line and controlling it, but I know that is dreaming. I know that the present government would not consider it; therefore I suggest the next best thing is for Canadians to control it by Canadian capital. Surely we in Canada can capitalize a pipe line. Why go to the United States for the capital? What is wrong with our banking system that it will not take a chance? What is wrong with our Canadian people that they will not take a chance? I am sure that if they studied the history of the United States pipe lines and found out what an excellent investment is has proved to be they would not have to go to the United States for one cent of capital for Canadian natural gas pipe lines.

Naturally money is available. I understand they can get all the money they want provided they get a charter and provided the route goes through U.S.A. territory. I know it is a good investment. It would be a good investment for the government. It would be a good method of control for the government. It would be definitely in the government's interest to have Canadians owning the line, paying their income tax and living in Canada, rather than have that immense wealth going to the United States, as it will.

This is not sentiment; this is business. I believe the government is anxious to look after its own business, and the pipe line is its own business. It is something that we as Canadians have inherited. It is something that we own now, that once taken away from us or given away, piped away or siphoned away, is lost forever. Our only chance of maintaining a hold on our own wealth is by withholding this bill or insisting that the nature of the bill be changed for our protection by saying that the route must be through British Columbia.

The other point that I would bring to the attention of the house is a very simple one. Just think what a development of this kind would mean in revenue to the people of

Canada. I saw the history of one pipe line in the United States that cost $180 million. But it started many industries in the territory that it served, amounting to over one billion dollars over a period of two or three years. That shows that the pipe line of itself is not where the wealth or the potential wealth is. It is in the industries that are created by the pipe line coming into the territory. It is that phase of the problem that worries me. It is true, we are worried about the pipe line itself. It is not so much the worry as the fact that we are wilfully, childishly and foolishly giving away such tremendous wealth through our ignorance of what it is possible to do in developing industries.

The government should take notice and if possible get this bill changed. After all, they are the trustees of the people. The people own these resources. The government as trustees have a duty toward the people. They have a duty to protect the wealth that is owned by all who are called Canadians. No other body but the government can do it. It would be in the best interests of the government of Canada and of the people to have this done. It would mean that we could start in British Columbia industries that could not possibly be started in this district or on the prairies. They could be started in British Columbia because we have a fine climate, an all the year round climate, where industries could flourish both summer and winter without the usual shutdown because of extremely cold weather.

While we on this side of the house are possibly taking a more active part in fighting this bill than those on the other side, it is not a political issue. It is not a political bill. It is a bill that is basically sound except for the fact that it has not a clause containing protection for Canada. We know we want development. We do not want to stop the pipe line being built. No. That is what the bill is going to do. I would like hon. members on the other side of the house to note that this is not a political issue, but I do think that the best interest of my province can be served by voting against this bill. Therefore I challenge them to do so in the interests of the people who have written to me from more than my own riding, calling on me to get others to help to kill this bill.

I could carry on but my time is nearly exhausted. I leave this thought with hon. members. Fifty years from now the economic history of this period will be written. Historians will talk of this period. If through neglect, or through indifference, we allow this wealth to cross the border they will look back on this particular parliament and this particular period in our economic development and say, "What stupid people they were; they did not know what they were doing." To avoid that stigma in the future we can, before it is too late, insist that this company insert a clause in the bill promising faithfully to take the route through British Columbia, and give us first access to our own natural wealth.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this is a bill to incorporate certain named individuals under the name of Alberta Natural Gas Company. The bill gives that company various powers, including the power to construct and operate pipe lines both for natural gas and for oil within and outside Canada. In other words, there is no restriction on the area in which this company can construct these pipe lines.

Of course, as we all know, the incorporation is sought in order that the incorporators, and their associates, may pipe natural gas, and also crude oil, from the province of Alberta to the Pacific coast. The great question the bill raises is this. Should these pipe lines serve Canadians first, or Americans? Or, putting it another way, shall the export of gas and oil to the United States be limited to the surplus after Canadians have been supplied? That question cannot be evaded by parliament. It must be faced; and the only opportunity to do so is when this or the other bill with a similar object is brought before us.

I am particularly and genuinely concerned, as I believe hon. members will appreciate, because it is my view that if parliament permits Canadian gas and oil to be piped out to the United States, without requiring that it first be supplied to the people of British Columbia, such action will constitute the worst betrayal of the people of that province since confederation.

May I warn members from some of the other provinces. Let us first take those from Saskatchewan. They may find the next step will be that instead of their towns being supplied with natural gas that gas will be sent down into the United States, to the south. Let me warn members from Quebec and the maritime provinces. They may find that these huge reserves of iron ore which are being developed, and which are now available in northern Quebec, may not be used in their provinces, but may be sent down to the New England states or through the St. Lawrence to the United States steel ports on lake Ontario. At present the people of British Columbia are the ones who are in jeopardy;

but if the principle behind this bill is accepted by parliament, then similar things may very well happen in other parts of Canada.

It is now perfectly clear that there are two alternatives. Before dealing with them, however, let me point out two things: In the first place it is admitted that there will be only one pipe line to the Pacific coast for natural gas. There may be another pipe line for oil; indeed, I believe there will be. But everyone admits that the market will support only one pipe line for gas. Secondly, it is admitted that the route used for the natural gas pipe line is almost certain eventually to have the pipe line for oil. It would be ridiculous to have a completely different pipe line route for crude oil. These two facts must be borne in mind in considering the arguments put forward on this question.

I said there were two choices. The first alternative with which I shall deal is that offered by the people behind this proposed company, the Alberta Natural Gas Company. They have attempted on two former occasions to get incorporation from the Canadian parliament, and on both occasions have failed because they proposed to build their line largely through the United States.

What are their plans? No secret is made of their intentions. Different statements have been made in the press. Three or four years ago promoters told me all about it in this building, and told other members who were here at that time. They have made no secret about what they intend to do. Their route is to be from southern Alberta through the Crowsnest pass into the district of Kootenay East, and then east of Kootenay lake the line will swing south into the state of Washington. It will continue across that state, eventually serving the great cities of Seattle, Tacoma and Portland, and en route serving such cities as Spokane, Wenatchee and other small American cities. Apparently there are to be two stub-lines running north into British Columbia. There may be only one, namely, that serving Vancouver. There is, however, talk of a stub-line running up into Trail.

In other words British Columbia enters into the picture only for a short distance through the Crowsnest pass and East Kootenay, and then by way of two stub-lines running up to the north from the main pipe line. They propose to go direct to the main market which, it is admitted, is in the states of Washington and Oregon. That is the last large district not served at the present time by a natural gas pipe line.

I have here the December issue of *Fortune* in which hon. members will find an interesting article entitled, "Natural gas, whoosh!". Portions of it were read the other day by the hon. member for Kootenay West (Mr. Herridge). I shall not read them again, but I shall refer to one paragraph dealing with the Pacific northwest which states:

> The Pacific northwest, which is now entirely on manufactured gas, also provides a large potential market for natural gas, but is left out of this calculation because it will probably pipe in its gas from the newly discovered bonanza fields in Alberta, Canada.

So that this company is proposing to go direct to this American market with this Canadian resource. The people behind the company make no pretence whatever about developing Canada; they aim to sell where there is a market. Then, at the end of the line, they will put in a stub, up to Vancouver. That means that we will pay there the highest price of all, because we are at the end of the line.

Mr. Cruickshank: If there is any left.

Mr. Green: Yes, if there is any left. It will mean that very little employment will be furnished to Canadians in the construction of the pipe line, because nearly all of it is to be laid in United States ground. It means also that once the pipe line goes over the United States border it is beyond Canadian control. In other words we will get gas in Vancouver subject to the approval of some United States authorities. We will get Canadian gas in Vancouver subject only to the approval of an American authority. No treaty has been negotiated with the United States under the terms of which provision is made that this gas must be piped back into Canada. And if there is a shortage at any time—well, out in Vancouver we are at the end of the line, and we would get what is left. Only the Vancouver area, a small area in East Kootenay and possibly Trail will be served. The rest of our province will have to go permanently without natural gas and crude oil.

Mr. Cruickshank: For all time.

Mr. Green: Because there is to be only the one pipe line.

Mr. Howe: The team is working very well tonight, the chorus over here.

Mr. Smith (Calgary West): The minister is the best judge of that that I know of.

Mr. Cruickshank: We are working for British Columbia, not for Ontario.

Mr. Green: One thing about the hon. member for Fraser Valley is that he is working in the interests of the people of British Columbia. Let us consider the crude oil situation and the alternative suggested by the company which seeks incorporation this

evening. Under their plan the crude oil would be refined in the United States, not in Canada. When an oil pipe line is put in it will end at Seattle or Tacoma; the refinery will be located there and the people of British Columbia will be buying the products made from Canadian crude oil. So much for the first alternative.

A year ago the Westcoast Transmission Company Limited came here for a charter which was granted, but they gave an undertaking in the committee on railways, canals and telegraph lines that they would build their line in Canada first.

Mr. Howe: How does that bill read?

Mr. Green: That company is now actually applying in Alberta for leave to construct the pipe line in Canada first. When their representatives appeared before the committee I cross-examined them and we got an assurance that the pipe line would be built in Canada first. Otherwise they would not have got a charter any more than the Alberta Natural Gas Company could get one then.

Mr. Howe: How does their charter read?

Mr. Green: It reads in the foolish way decided upon by the Minister of Trade and Commerce, just as the other charters read. If the minister had been protecting the interests of Canada he would have insisted that each group of applicants put in the charter a stipulation that they would serve the Canadian people first.

This second alternative is to construct a pipe line commencing at Edmonton and then going west through the Edson-Jasper district. I was amused the other night to hear the hon. member for Edmonton East (Mr. Macdonald) move that the question on the other pipe line bill be now put, seconded by the hon. member for Jasper-Edson (Mr. Welbourn). The districts which those gentlemen represent stand to benefit greatly if this pipe line is built in Canada first. I wonder what their constituents will think of them when they find out they took the action they did the other night?

The pipe line would then go through the Yellowhead pass, which is nearly one thousand feet lower than the Crowsnest pass. It would continue on to Kamloops in British Columbia. I would point out to the two hon. gentlemen to whom I referred a minute ago that in order to build a pipe line a highway must be constructed. Only last fall the hon. member for Edmonton East was shouting his head off about having the trans-Canada highway go through Edmonton and on through the Yellowhead pass. Here is a chance for him to get his highway built by the pipe line company and also maintained by the company in all seasons. Yet we find the hon. member standing up here and moving a motion to force through the United States route.

The plan is to run the pipe line from Kamloops down over the Princeton-Hope highway to the upper end of that wonderful district known as the Fraser valley. It would continue through Fraser valley and into greater Vancouver. There would be a branch from Fraser valley down to the United States, and there would be another branch running from Kamloops, down into the Okanagan valley through that wonderful fruit-growing district and then into Trail. It would continue south from Trail to serve Spokane and the atomic energy plant at Hanford, Washington.

Testimony was given in Calgary just a few weeks ago that this route is feasible and would be just as cheap to build as the one going almost entirely through the United States. There is another feature which has great attraction for the people of British Columbia. The Westcoast Transmission Company Limited plans to establish a gathering system in the Peace river district of British Columbia and Alberta to pick up the natural gas and carry it down to the main line running through the Yellowhead pass. That will mean that Prince George will have natural gas and it may mean that Prince Rupert on the coast will also have the advantage of natural gas. It must be remembered always that not only is there natural gas involved; crude oil also comes into the picture. If the Peace river district does not have this outlet to the main pipe line running through Canada I predict that it will be decades before that district will be able to get its natural gas and oil to market and have these resources developed as they should be.

I do not think there is an hon. member in this house who does not clearly realize what such a plan will mean to British Columbia and the Peace river district of Alberta. Many small industries will be located in the little settlements. Employment would be created by the building of the line on Canadian soil. The unemployment situation in British Columbia has been worse this winter than in any other part of Canada. Our percentage of unemployed has been higher and this condition is likely to exist each winter. We need some development project which will give employment, and this pipe line proposition would be splendid for that purpose.

As I pointed out a few minutes ago, it would mean cheaper gas because we would get it first. I have here a press dispatch

dated February 18 which refers to the evidence given before the conservation board in Calgary. It reads:

All-Canada Pipe Line Route means Cheaper Gas in B.C.

Vancouver will get cheaper gas than United States cities if the proposed natural gas pipe line becomes an all-Canadian route to the coast.

Conversely, if the gas is piped through to Vancouver by way of the United States, it could cost more here than in United States cities. Testimony of the Westcoast Transmission Company before the Alberta natural gas and petroleum board here revealed that total cost of transporting gas from Edmonton to Vancouver will be 23·3 cents per thousand cubic feet.

This company, which is applying to build a line from Edmonton through northern B.C. to Vancouver and then one to the United States, pointed out that the cost of gathering it will be 5·9 cents per thousand feet, bringing the total Vancouver cost to 29·2 cents. U.S. points, though, will have to pay an additional 6·4 cents per thousand, bringing the cost there to 35·6 cents.

The costs of this Canada-first route would be paid largely by the United States because they are going to buy most of the gas. Canada has control throughout until the surplus gas finally leaves our country. Gas by this route will command a larger sum of United States dollars than if it goes any other way because the Americans have to pay for its being transported that much further in Canada.

As for oil, this plan is the best one for the use of crude oil going to the west coast. Most of the oil in Alberta is in the Edmonton district. The shortest distance from Edmonton to the coast is through the Yellowhead pass, and that is the normal way in which oil should go. I think I am soon going to have the hon. member for Edmonton East (Mr. Macdonald) converted. As I said before, the Westcoast Transmission Company Limited would never have got their charter if they had not given a pledge that they would build their route in Canada first. Yet they have no prior rights on this route. Any other companies have the same chance if they wish to take it, or to take any other Canada-first route. I am sure there will be no objection in the house from any of the hon. members who have been protesting against these particular measures if the applicants give an undertaking that they propose to build in Canada first.

The Alberta Natural Gas Company is not interested in developing Canada. Why should it be? It is a subsidiary of a United States company, the Northwest Natural Gas Company.

Mr. Smith (Calgary West): A Delaware corporation.

Mr. Green: Their purpose is to get into the United States market, and to get there just as quickly as it is possible to do so.

Naturally very strong opinions on this question are held in the province of British Columbia. All of those opinions are in favour of this Canada-first route.

Mr. Smith (Calgary West): Except the Liberal members of the house.

Mr. Cruickshank: Some of them.

Mr. Green: After all, one route misses most of the province of British Columbia and the other route serves most of our province. First of all let me give you the opinion of the government of British Columbia. The Hon. Gordon Wismer, our attorney-general, appeared before the conservation board in Calgary about a month ago, and there he asked the board to give a licence to the Westcoast Transmission Company Limited. Dealing with the reasons he gave, the newspaper article reads:

He urged that Canadian provinces be given priority over the United States who also want to buy Alberta natural gas. "We are strongly supporting the proposal that such a line be through British Columbia, and then, if sufficient gas is available, to the northwest United States," he said. "This route will assure that the domestic and industrial requirements of the people of B.C. will get first consideration. More important," he added, "a northerly route will assure greater industrial development in northern Alberta and throughout B.C. This northerly route would run through the northeastern area of B.C. The Peace river block contains about 50 million acres of potential oil and gas land," he said.

The provincial minister of lands took the same position in the provincial legislature just two weeks ago. The newspaper article refers to what the Hon. E. T. Kenney had to say and reads in part:

Stressing the importance of any attempt to pipe natural gas to the lower mainland from Alberta, Mr. Kenney said the public of this province should actively support the all-Canadian route of Westcoast Transmission Limited. Utilization of this route would mean Vancouver would be getting gas before it was piped into west coast cities in the United States instead of being at the end of the line. It would also mean a shorter line from Edmonton and would make more feasible tapping of gas reserves in B.C.'s Peace river district.

Another article refers to what Mr. Kenney had to say as follows:

Turning to the question of a gas pipe line from Alberta, Mr. Kenney saw the potential development of B.C.'s industry set back for "many, many" years if the line does not come through B.C.

The same stand has been taken by the press on the coast. I do not know of one paper which has not backed us up in the fight to have the line go through British Columbia first. I have editorials here from the Vancouver *News-Herald* and the Vancouver *Sun*, both endorsing the stand we have taken and urging the people of British Columbia to insist that the line must go through their province first.

Here in this house we have the hon. member for Fraser Valley (Mr. Cruickshank) taking a stand in the interests of his province, taking the stand that is taken by the people from one end of the province to the other. The only voices raised against us are the rather feeble ones of several Liberal members from British Columbia.

We have the hon. member for Vancouver-Burrard (Mr. MacDougall) getting up and moving a motion that the question be now put as to this very measure, and we have his motion seconded by the hon. member for Burnaby-Richmond (Mr. Goode). We have the hon. member for New Westminster (Mr. Mott) applauding their action, and we have the hon. member for Vancouver Centre (Mr. Campney) actively supporting this particular bill. Of course these men must make their own decisions, but when I see them acting in this way I cannot help thinking of the late Ian Mackenzie, the late Gerry McGeer, and men like Senator Tom Reid and A. W. Neill of Comox-Alberni. Time after time when questions concerning the province of British Columbia were under consideration those men stood up here and proved that they were British Columbians first before they were Liberals.

Mr. Howe: Nine o'clock.

Mr. Green: Yes, the Minister of Trade and Commerce (Mr. Howe) has had about enough. In this question there is not any doubt where the interests of British Columbia lie. I point out to those particular members whom I have mentioned that this is a private bill. There is no question of a motion of want of confidence in the government; this is a private measure.

Mr. Deputy Speaker: Order. I must inform the hon. member that it is nine o'clock.

On motion of Mr. Green the debate was adjourned.

Mr. Deputy Speaker: It being nine o'clock, the house will resume the business that was interrupted at six o'clock.

SUPPLY

The house resumed consideration of the motion of Mr. Abbott for committee of supply.

PROPOSED SPECIAL COMMITTEE ON NATIONAL DEFENCE

Mr. H. O. White (Middlesex East): Mr. Speaker, in rising tonight to take part in this debate which has been brought about by the amendment of the hon. member for Nanaimo (Mr. Pearkes), I do not do so because of my intimate knowledge of matters of defence but because of the people whom I represent, the man in the street who pays and pays. So long as it assures peace, any price that we may pay for preparedness will not be too great. The past has demonstrated that unpreparedness has always brought us war. The price that we as Canadian people are prepared to pay for national defence should not necessarily be an open door to careless spending of the people's hard-earned money. Every dollar should be conserved and wisely spent.

The parliamentary assistant to the Minister of Trade and Commerce (Mr. McIlraith) went out of his way this afternoon to explain something about patronage, and other things that were happening. I am wondering whether what he said to us was not a clever way of changing the old political pork barrel into a study group. It was one of the most astute moves we have seen in this house, but I am afraid the net result is going to be the same.

Mr. Knowles: That is what he said, there had been no change.

Mr. White (Middlesex East): A moment ago I said I was speaking for the man in the street, the man who pays the bill. I believe I can say to the Department of National Defence that the government, with the gloved hand on one side and the mailed fist on the other, extracts the necessary dollars by one means or the other from the taxpayer. When we realize that in 1938 about $480 million ran the government of the country, while today it takes about $400 million for the Department of National Defence alone, we can see how taxes must have increased. Do not get the idea I am complaining about the amount spent, but I do want to see that it is spent wisely and well.

I intend to deal with this matter of national defence as it applies to my riding, and I intend to mention the airport at London, Ontario. Most of you will recall a tragedy that occurred there not long ago when a Dow Chemical Company plane crashed, and a company official lost his life. This accident resulted from the inadequacy of the equipment at that airport, not because of any failure of the personnel at the airport. An ice storm was in progress, and the plane got into difficulties because of icing conditions. No emergency power development equipment was available at the airport to take the place of the hydro, which had failed because of this ice storm. I believe that applies not only to the airport at London, but to every airport over which the Department of Transport exercises control. Emergency power development equipment should be available at these airports, and particularly those that are served by rural hydro lines, because there is

greater danger of power failure on rural lines when these places are so far from the transmitting stations.

After that accident an inquiry was held, but so far there has been no improvement in conditions at the airport. The report of the inquiry resulted, more or less, in a white-washing of the conditions at the airport. We have heard a great deal about aeroplanes, airlines, and these North Star planes. The runways at the London airport are not long enough to permit these North Stars to land. They have been able to go everywhere in the world but to London, Ontario. The newly acquired jet F-86 is not able to land at that airport, and so it will not be available to the student pilots who are being taught at the R.C.A.F. station there. Recently one of the high-ranking officials of the air force was reprimanded because he said that the F-86 would be available to students across the country. If the government purchases 100 of these planes, and they are not going to be available to student pilots, they will become obsolete before they can be used. If a great deal of money is to be spent buying these planes, let us equip the airports so that they can be used.

While I am on the subject of training, I understand that the Harvard trainer is still being used. It was a good trainer in its day, but the step from a Harvard trainer to a jet fighter is too great a step for a pilot to take. In other words, as a trainer, the Harvard is as extinct as the dodo. I should like to stress the fact that the tragedy which occurred at the London airport was not caused by the failure of any personnel, but was due to the lack of emergency equipment.

Mention was made today of the flying demonstration at Rockcliffe last week. Many hon. members will recall that two or three years ago we went to Rockcliffe one cold winter's day to see a Vampire jet demonstrated. From what I can learn, the whole program has been a miserable failure. If this last demonstration was merely for publicity, a bit of a fanfare to show the people what is being done with the $400 million, I think the people are going to be bitterly disappointed. I hope this demonstration will show greater results than the one witnessed by the members of parliament two or three years ago.

During the debate on the address in reply to the speech from the throne, I mentioned the cost of national defence. Tonight, I should like to mention the fleet air arm. Canada has one aircraft carrier, with approximately 70 or 80 planes. A complete staff is maintained for the fleet air arm, just the same as for the Royal Canadian Air Force. There is no reason in the world why the fleet air arm should not be united with the Royal Canadian Air Force, thus eliminating this tremendous expense. It would probably be as efficiently or more efficiently administered. While I am mentioning that, I should like to refer to the difficulties that have arisen in the United States over the unification of the three branches of the armed services. I believe it is most important that Canada eliminate this duplication of services, and develop more efficiency, so far as it is possible, in our defence forces.

During an earlier speech, I mentioned the Royal Military College. Recently the answers to some questions regarding Royal Military College at Kingston were tabled in my name. During the first 16 months of its operation, it has cost $1,406,998. There are somewhere between 90 and 116 civilian employees, 26 military personnel, and about 100 students. This seems to be a heavy expense to build up a military caste in this country. The reason I say that is that we have some of the finest universities in the world, and they are properly equipped and are able to train our officers, as they demonstrated during the last war. Then when the men go out into the practical field they do not have to be graduates of a military college in order to get a job. That is a serious situation. We are hoping that we in Canada were getting away from the European plan of doing things. But that step back to the old military caste system that prevailed in many European countries, and which prevails today, results in discrimination against some of the ablest men that our universities have turned out. I say that without fear of successful contradiction because of the fact that last week I talked to some of these very men who have been through one or two wars and who complimented me on the stand I had taken on that particular matter.

I will put this fact on the credit side of the ledger. They tell me that recruiting is good. We are in need of skilled tradesmen in all branches of the armed forces. Our universities and technical schools are equipped and prepared to give that type of instruction. Let us take advantage of the facilities we already have and for which we as taxpayers are paying. The universities are looking for state aid, municipal, provincial and federal. If the state is to maintain them, I think the state should use them to the greatest possible advantage.

One of our greatest faults in the matter of defence is that we prepare for each war on the basis of the one we fought previously instead of on the basis of the one we are going to fight. I can recall that when I was

in the army men were being trained with guns that were used in South Africa; and during the last war men were being trained with military equipment that was used in the war of 1914-18. We should be looking forward, not backward, in considering how to win and keep the peace.

I should say also that these young men who are joining the defence forces should be equipped with the best available material of all kinds, not with old and obsolete equipment. On the credit side of the ledger I should also mention the new CF-100,—an all-Canadian plane built by Canadian enterprise —the transport jet with military potentialities; and it can possibly be used to great advantage. I wish to support the hon. member for Nanaimo (Mr. Pearkes) in his amendment to set up a committee to study the various phases of our national defence program.

Mr. J. A. Ross (Souris): I rise, Mr. Speaker, to offer a few remarks in support of the motion made this afternoon by my colleague the hon. member for Nanaimo (Mr. Pearkes), and so well supported by him in his arguments. As was pointed out by one of those who spoke this afternoon, I think it is rather significant that the present Minister of Finance (Mr. Abbott), when he was minister of national defence in 1945, stated in this house that he favoured a committee on national defence such as the one which has been suggested. If the minister in his important portfolio today was of that opinion in 1945, surely, with the gigantic expenditures that this government are now proposing on the matter of national defence—almost $420 million—he should be of that opinion at this time.

Most people who have been associated with national defence realize that, no matter how careful you may be, there is great wastage, which arises from the fact that equipment rapidly becomes obsolete, which cannot be avoided. That in itself involves great expenditures.

Much has been said about the atom bomb and the hydrogen bomb. I am sure that all people are fearful of the consequences of that invention, especially if there should be another war; and God forbid that there ever should be another one. But we must prepare for war in order to try to prevent it. I am sure that many of the students of warfare and of national defence are of the opinion that, should a third great war break out, we in Canada would find ourselves in the position in which Belgium found itself in the last two great wars; and that is not a pleasant picture to contemplate. Many people today hold that belief.

With respect to a recent newspaper report to the effect that a considerable number of Liberal members had been requesting some element of patronage in connection with national defence—and I have pointed out the great expenditure to be made this year, in the amount of some $420 million—I understand that some explanation was made this afternoon by the parliamentary assistant to the Minister of Trade and Commerce, in which he pointed out that this had only been a study club, with an official invited in. I realize that we are living in an exceedingly fast age, with fast-changing conditions; but surely if we are to have study clubs set up to study the most modern pork-barrel methods, it is really something new.

I said something about the position of the Minister of Finance. I really think that the Minister of National Defence (Mr. Claxton) and the government will accept this motion, which was so well proposed by my colleague this afternoon. I want to quote some of the remarks of the Minister of National Defence which appeared in *Maclean's* magazine of March 1, 1943, in an article entitled "What's Wrong with Parliament?" He said:

> One reason why parliament has not functioned better is that 245 members—

We have, of course, many more members than that today.

> —cannot get down to close grips with a subject. Also there is not enough time for the whole house to deal with everything. Hence, the practice of referring specific matters to committees for study and report should be extended . . .
>
> To be effective a committee must be small, not more than fifteen. Its members should be selected because of their interest in the subject rather than solely because of other considerations like province, race or religion. Committees should be set up early in the session and bring in their reports early, before the last-minute rush.

That argument was fairly well covered in speeches this afternoon.

> The committee on war expenditures has done exceedingly useful work but it has been suggested that it has been handicapped by lack of technical assistance. A committee of this character should have attached to it one or two full-time people who are competent to prepare the material as is done at both Westminster and Washington. Without such assistance the committee is largely in the hands of the interested department.

How true that has proved to be in this House of Commons!

> Committees should sit regularly on matters like manpower and labour, financial and economic questions, reconstruction, external affairs and information, munitions and supplies, agriculture, the navy, the army and the air force.

I wonder if that is not the particular subject that we are discussing right now.

> The United States senate has forty-seven committees exercising great power. We do not need anything like that number. The close connection

of our executive with our legislative branches makes it unnecessary. Fifteen working committees of our house, most of them only meeting through half the session, would do the job. My fifth point, therefore, is:

5. Whenever possible a matter of major importance should be referred to a committee of parliament and where necessary the committee should be provided with adequate research assistance.

These are the remarks of the present Minister of National Defence (Mr. Claxton), which were published in *Maclean's* magazine on the date that I have given. In view of these remarks, and the very able arguments set forth this afternoon, I would think that certainly now he would be prepared to accept the motion so well pressed by my colleague this afternoon.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, this debate, which arose today, seems to have followed the expression of the hope made by the government leader of the house last night, namely, that the defence estimates might be dealt with on Friday next. That was my hope, just as it was my hope that they would have been dealt with on Friday last and the Friday before that, but in view of the progress being made in the house it did not prove possible.

This debate has anticipated the debate that might have occurred on the defence estimates next Friday, which I hope will still take place. On that occasion I hope to give a pretty comprehensive statement about our national defence. Tonight I should like to deal with one or two impressions that hon. members have endeavoured to create: one, that the estimates of the Department of National Defence could not have been adequately discussed in the last three years because they were presented late.

In the first place I should like to say that during these last three years the estimates have been brought down just as soon as it was possible for the Minister of Finance (Mr. Abbott) to bring them down. Secondly, from the time when they were brought down officials of the Department of National Defence and myself were ready to discuss our estimates just as soon as the parliamentary program would permit us to do so. In the third place I should like to say that in 1947 defence estimates were discussed on the 9th and 10th of July; in 1948 on the 24th and 25th of June; and in 1949 on the 11th, 18th and 24th of November. In each of those three years they were discussed well before the terminal pressure of the conclusion of the government's program and the business of parliament. Indeed on the 11th, 18th and 24th of November they were discussed through some thirteen hours, and I never heard—and I was present throughout—any indication that the indefatigable member for Calgary East was suppressed or hushed in any way. If he was, then he was not doing his duty as a member of parliament.

Mr. Harkness: I was not suppressed, but there were great efforts at it.

Mr. Claxton: No; so long as the hon. member is not suppressed, then I can say that parliament is functioning in its proper and normal fashion with regard to the discussion of defence estimates, or of any other estimates. Throughout these discussions hon. members opposite, hon. members on this side of the house, and hon. members in every part of the house, spoke their minds, asked their questions, and I believe the record will bear out that they got answers.

As a basis for this appeal to change our constitutional system—because it is nothing less than that—

Some hon. Members: Oh, oh.

Mr. Claxton: —it is suggested that they sought information and it was refused. That kind of thing has been about the only pattern that one can find throughout the remarks of the members of the opposition today. If you look through the record, Mr. Speaker, you will find that that is not so. You will find that on the two or three occasions on which information has been refused for reasons of security, that has been in accord with the practice in this house and in accordance with the practice of the parliament at Westminster, which we frequently follow, because we regard it as the mother of parliaments; and we regard our parliamentary system, with all respect to all others, as much better than any of them. We feel also it is desirable that we should try to preserve that system and make it work just as well as possible.

Mr. Harkness: Quite a few instances were put on the record last year and once before to show that that was not the case.

Mr. Deputy Speaker: Order.

Mr. Claxton: The hon. member mentions that. I have the instances here. I have a full record of all this business with regard to the refusal of information, and the charges by the opposition. I can tell my hon. friend that in this house we have given far more information in answer to questions, and also in speeches and white papers, than is customarily the practice in the houses of the other members of the commonwealth of nations.

I should like to suggest to the house that this charge of refusing to give information is rather flattering, rather complimentary to the work of the armed services of Canada, and of the Department of National Defence. They do not seem to find much wrong either with the services or with the department, and so

they say that we are not giving them anything with which to enable them to attack us properly in the way in which they would like to see us attacked. I should like to say this, and I say it without fear of possible contradiction, that never in the peacetime history of our country have this house and the country been given more information about defence than over the past three years.

Hon. members will recall that in introducing the estimates at the last session of parliament on November 11 we tabled a white paper. Then I made a statement in some detail, and those two supplemented the annual report which was tabled on October 19, four or five months before the annual report of the department was ordinarily tabled, the report giving more information in a more palatable form than ever before in the history of the department. Then we had three days' discussion in the house. At the end the estimates were voted, and there was considerable time for the hon. member for Calgary East or any other hon. member to raise any questions they wanted to. They could have been raised even that night, because we did not take up until eleven o'clock on the evening of November 24, or they could have raised them at any other time. But they did not raise their voices then. They raise them now.

I repeat that never in the peacetime history of this country have this house and country been given more information about our national defence. Also I should like to suggest to you, sir, that what I said before—that we are now giving more information on defence than is customary in the United Kingdom or in any other country of the commonwealth—should be perhaps a matter of some concern, on the ground that we are going too far.

However I feel, as hon. members do, and as the hon. member for Nanaimo (Mr. Pearkes) does, and as hon. members in every part of the house do, that all possible information must be given, so that we can judge whether or not what we are doing is right, and whether or not moneys voted by hon. members here is being properly spent.

I can assure you, sir, that a very great part of the time of those in the department and of the officers in the services is spent in trying to see that we, the members of parliament and the taxpayers of Canada—because we are all taxpayers, and so are they—are getting the utmost value for the defence dollar.

But I should like to suggest, as hon. members have been frank and honest and fair in suggesting, that this is an exceedingly difficult problem—now, probably, more than ever before. On that account we need the help of all hon. members.

[Mr. Claxton.]

I welcome their criticism and their suggestions, and so do the officers and men of the armed forces. But you must not expect the impossible. We cannot foresee what the future will bring forth. We cannot foresee if war will come, or when it will come. We cannot foresee the development of events, the development of new applications and of new inventions so accurately as to be right all the time.

What we can do is try to do the job with which we were entrusted under our constitutional system, and that is to try to spend the money voted by you for the people of Canada in the best and most effective way possible. Today we heard hon. members carry on their fight for a committee on defence. I have heard the hon. member for Souris (Mr. Ross) refer again to what I said years ago; and I heard the hon. member for Kamloops (Mr. Fulton), I believe it was, say that this case had never been met.

May I suggest that hon. members and others interested should look at *Hansard* for May 30, 1946; February 13, 1947; June 24, 1948; April 4, 1949; November 3, 1949; and November 24, 1949, so as to see what kind of difficulty the proposition now before the house presents to any responsible government trying to work a system of government within the large framework of what we call, and are proud to call, British parliamentary institutions.

It is perfectly clear from the speeches of hon. members today, as on those previous occasions, that what they want is a committee to deal with defence matters of the same character and having the same powers, and subject possibly to the same criticism, if it comes within our system, as a committee of the congress of the United States. I have the utmost respect for our good neighbours to the south, and for their system of government. I have no word of criticism to say about any of it. But I do say it is not our system; and before you begin to introduce bits of their system into our system, or before some reformers in the United States should introduce, as sometimes has been suggested, bits of our system into their system, the people who are responsible for the continuing of the kind of government which each country has found to work well should examine the proposition cautiously and coldly.

I put my attitude about this on record in the issues of *Hansard* to which I have referred, and I do not wish to weary the house by going over them again. But I do suggest that there is a fundamental difference in the American system of government from ours, in that the president is elected for a fixed term of years; that the cabinet is responsible, not to the people through congress, but to the president; that the members of the cabinet do

not meet congress; and that consequently in the United States it has been found necessary to devise a means whereby the executive meets with the people's representatives in congressional committees.

Now, I do not say that is a good thing or a bad thing. But I say it is almost inevitable, from the kind of constitution they have, that that result should be followed. And I do say further that a similar kind of procedure, if it results in a committee of parliament having anything like the powers of a committee of congress, would defeat our kind of government, and is unnecessary under our kind of government. Here the members of the government are appointed because the party they represent holds a majority in the House of Commons. They meet parliament every day. They are responsible collectively for the exercise of the functions of government, and they are responsible through parliament every day to the people.

So that we do not need this device that is so essential, or regarded as essential, in the United States. When I spoke before about this I said there was not a committee of the kind suggested by members of the opposition in any commonwealth country of which I was aware, and certainly not in the United Kingdom. I was taken to task for that statement by the *Globe and Mail,* that very dispassionate and accurate and non-partisan paper, in an editorial in the issue of November 30, 1949. That editorial concluded with these words:

> A committee—or a subcommittee, it does not matter which—to study the government's defence plans and learn about them from chiefs of staff and other informed persons is what is asked for. Mr. Claxton says this cannot be done because it is not done in London. But it is in fact done in London.

The *Globe and Mail* pinned this statement on the existence of a committee on estimates in the United Kingdom. That committee on estimates has a number of subcommittees and estimates of various departments are referred to various subcommittees. The order setting up the committee on November 17, 1948, reads:

> That a select committee be appointed to examine such of the estimates presented to this house as may seem fit to the committee, and to suggest the form in which the estimates shall be presented for examination, and to report what, if any, economies consistent with the policy implied in those estimates may be effected therein.

That is the end of the quotation. Hon. members will see that this committee on estimates in the United Kingdom is a committee to deal with the form in which the estimates shall be presented and to report on economies, but within the scope of the policy presented. The *Globe and Mail* went on to suggest that we should have a committee of that character and ended up by saying what I have just quoted:

> —and learn about them from chiefs of staff and other informed persons.

In that editorial the *Globe and Mail* listed the people who had appeared before this committee on estimates and there was no chief of staff among them. The people who attended were people who did not have to do with major planning, intelligence and operations of the forces; they were deputy ministers and people of that character who had to deal with the presentation of estimates, their preparation and the arrangements relative to finance. So far as I know, and I have made some inquiry, no chief of staff has yet appeared before the committee or any of the subcommittees on estimates in the United Kingdom. They have not discussed questions of strategy, the adequacy of defence or anything of that kind, which were the sole subject matters of the speeches made today by hon. members of the official opposition. They discussed matters of form, economy and efficiency, quite a different thing and of course a thing which simply did not justify the conclusion of the *Globe and Mail.*

In connection with defence estimates, defence preparations and defence planning, the democracies are obviously in a difficult position. As I have said, I welcome every word of criticism, every suggestion by hon. members of this house, or for that matter by people outside the house, and we go to considerable length to obtain it. But we do not think it is desirable, in order to meet the views of the opposition, that we should change or jeopardize our constitutional system so that in effect the government of Canada would come to be conducted by a committee of members, including members of the opposition.

The British constitutional system has worked well. It is a system we admire and respect and revere. Under that system government is carried on by a committee of the group which constitutes the majority in the House of Commons and which is responsible to His Majesty's representatives, to the House of Commons and through the House of Commons to the people. We think that that is a better kind of committee than the one suggested by the opposition.

In his really helpful speech the hon. member for Kamloops (Mr. Fulton) referred at some length to that magnificent book "Modern Arms and Free Men" by Dr. Vannevar Bush and he quoted a number of extracts. As I followed the hon. member I gathered that he

wanted us to believe that the extracts he was quoting were in support of the proposition he was upholding.

I had the advantage of two days of most profitable discussion with Dr. Vannevar Bush when he came up to discuss defence research with us. From what I know of him I do not think he was gravely concerned about having a committee in this house deal with defence matters. I do not think he mentions it in his book and if he did I am sure it was an oversight because he would not be so indiscreet.

Mr. Fulton: Would the minister permit me to say that I certainly did not intend to leave the impression that Dr. Bush suggested there should be a committee. What I tried to say was that the ideas put forward by Dr. Bush could best be considered and implemented by a committee.

Mr. Claxton: *Hansard* of tomorrow will show what the hon. member said. Whether the views put forward by Dr. Bush could best be implemented in that way is a matter of opinion. I should like to refer the hon. member to another passage in Dr. Vannevar Bush's book at page 114, where he said:

> To spread our entire thinking before a potential enemy is senseless; it gives him a very real advantage, and an avoidable one. There is a reasonable balance between keeping our people informed and intelligent and unnecessarily supplying data to a potential enemy.
>
> Since the war ended we have at times erred and departed from this balance. As new aircraft have been developed, we have described their performance in some detail, published photographs of them, and discussed their merits and limitations. When a new guided missile flies well, the whole world knows of its success. We even discuss parts of our war plans, and examine in the full light of public discussion the relative merits of carriers and land-based planes for strategic bombardment, spreading out concepts of how we would use our power for all to read. Doing these things does not make sense.

Dr. Vannevar Bush is one of the world's great leaders in the field of scientific research. He is certainly one with whom my colleague the Minister of Trade and Commerce (Mr. Howe) and people like Dr. O. M. Solandt were very glad to work when the going was tough. It has been suggested by the hon. and gallant member for Nanaimo (Mr. Pearkes) that giving information to a parliamentary committee of the character described would allay fears. I do not think that has been the result of giving that kind of information in the country which has the type of committee that hon. members of the opposition seem to want. I do not think so.

Of course I believe we are in a very difficult period. We must give all possible information, and we must also do everything possible to sustain the confidence of the people. I believe it was the hon. member for Calgary East (Mr. Harkness) who said that if a committee were established it would help recruiting. Our recruiting for the active forces, the navy, army and air force, does not need any help. We are getting all the men we want. They are first-class men of fine character.

An hon. Member: Unemployment.

Mr. Claxton: That is interesting. I should like to take up the hon. member on that statement. I can give him some figures. When I last spoke to the house on the subject of defence on the 11th of November I put before the house the results of recruiting for the twelve months ending the 30th of September, 1949. In the introduction of the defence estimates, which I hope to make on Friday, I will put before the house the results of recruiting for the twelve months ending the 30th of January, 1950, four months later. No doubt the hon. member would suggest that during that period we should have had a great influx of recruits owing to unemployment. Not at all. We have had a slight decline resulting from our increased standards and our diminishing pressure. What is more, we have had just about the same number of applicants in respect of each twelve-month period, indicating that what the hon. gentleman suggests is simply not so.

As to the question of recruiting, because it has some bearing on the discussion, I believe that hon. members must now appreciate, because it has been said time after time, that we can only spend each defence dollar once. We can spend it on construction; we can spend it on equipment; we can spend it on personnel, but we cannot spend the same dollar twice. Therefore the problem of defence planning—and that is what we are concerned with—is finding out on the basis of the best information available what proportion of the amount that parliament and the country are willing to spend on defence should be spent on construction, equipment and personnel. We cannot spend the same money twice.

Then you have the same thing when you come to the allocation between the navy, army, air force, defence research and development. The allocation must be made, and under this government it is made by the cabinet on the advice of the cabinet defence committee, and in respect of matters affecting all three services on the joint advice of the chiefs of staff acting through their committee. When it comes down to a question concerning only one service, then it is done by the chief of staff with my approval, and subject always to the approval of the cabinet defence committee, the treasury board and the government. This planning operation is continuous.

We plan to meet events that may develop three, four or five years ahead. We plan for steady development, but we also plan so that we will be able to make adjustments as they may be indicated to be necessary by the changing march of events. As to the distribution of our defence dollar, I propose to deal with it at some length on Friday in order to indicate to hon. members and the country at large on what the present division is based.

I should like to say a word or two with regard to the remarks of the hon. member for Nanaimo. It may be recalled that, when the defence estimates came up last November, he questioned if enough was being spent on the air force; and moved, I think, by nothing but the most serious considerations, he put forward a rather extreme case for that arm of the services. I said we were putting due emphasis on the air force, and were going to do more, that it was in accordance with our plans; and, as he indicated today, that is being done. Today he questions if the navy is getting enough. He asked if the increase in the appropriation for the navy was in any way matching up to the requirements for anti-submarine activities. I should like to give him some figures now which possibly may not be available in the estimates. On a cash basis the estimates and appropriations for the navy are proposed to be increased from $67 million for 1949-50 to $82 million for 1950-51, an increase of 22·4 per cent. That partly reflects the increase in the strength of the navy which is now over its present establishment of 9,047, standing at the 30th of January at 9,322, but mostly the increase in the proposed appropriation for the navy is due to our desire to meet exactly the thing that the hon. member had in mind, the necessity of constructing anti-submarine vessels of a type and character designed, equipped and manned to meet the threat of any submarine that can sail the seas.

Incidentally, I would not accept the hon. member's suggested figures for either the speed or the capacities of submarines so far developed, although that may be a possibility in the not too distant future. We are developing these anti-submarine vessels just because we recognize, and have ever since the end of the war, the need for the kind of thing that the hon. gentleman now mentions. So far as I know, our ships when they are produced will be at least up to and probably in advance of any other anti-submarine vessels. The hon. member also asked about the capacity of frigates, corvettes and destroyers to deal with modern high-speed submarines.

Our position in that respect is the same as any other country's. We do not like the situation that exists today, and we are doing what we can to meet it. We are doing just as much as the Canadian parliament, and the Canadian people, will enable us to do. We believe that our anti-submarine vessels, our destroyers which are undergoing modifications for anti-submarine work, and our other vessels will be able to do the job.

The hon. member also raised some question about the R.C.A.F. interceptors, the number of squadrons and so on. The member for Middlesex East (Mr. White) said our plan to have Vampires was a miserable failure. I hope he is not serious about that, and I do not think he is. If he is, I do not think he knows the record made by Vampires throughout the world. I do not think he recognizes that these Vampires were the best aircraft we could get for this interim period, and that Vampires, winterized and equipped by us in Canada to meet the conditions of Arctic warfare, behaved magnificently during Exercise Sweetbriar.

Then, what are we doing? We are going on to produce the F-86A, which has the world's record for speed. I think it is by far the most effective single seater interceptor plane in the world. We are also producing the CF-100. Hon. members who, in common with the member for Fort William (Mr. McIvor), saw the demonstration of that aircraft last Saturday, will I think agree with me that we have a real aircraft. It is more powerful than any fighter aircraft yet produced. When it is equipped with the Orenda engine, after it has been flight tested, that aircraft will be still more powerful. Hon. members who saw that demonstration of air power no doubt feel that we are moving along in the right direction. This aircraft is designed to suit Canadian conditions—long range, all weather, navigational instruments, and the capacity to do the kind of job which it was indicated by Exercise Sweetbriar might have to be done if some future eventuality occurs, which we hope will not occur.

The hon. member for Nanaimo and others referred to Exercise Sweetbriar as if it had been in some sense a failure with regard to Canadian forces, aircraft, or equipment employed. I was there. I talked with the officers and men of United States forces and Canadian forces. I heard no such remarks from any of those who were on the spot. I found, as I am sure he would have found had he been there, that we had reason to be proud of the way in which the Canadian staff, the Canadian servicing corps and above all the men of the P.P.C.L.I., the artillery and the other people who were out for eleven days in the exercise but almost seven weeks altogether, withstood the rigours of the north. They came through with magnificent physique, and in high spirits.

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As for this charge that they did not have the required aircraft to do the job of airlift, the hon. member must be familiar with some of the facts about airlifts. My recollection, and I am only speaking from recollection, of the time when the Germans came into the low countries is that they had a total of 2,200 airborne troops. My recollection is that when we came back, and made that great air attack on Arnhem, it took the airlift of the United Kingdom, the United States and ourselves working a shuttle service to get in the airborne troops. Now the hon. member knows just as well as I do how many aircraft it takes to lift an airborne brigade; and how many it takes to lift an airborne division in one lift. But that is not the way it is done, because it is not possible for any country in the world to do it that way. I saw the airlift in to the final moment of the exercise at Northway. They came in three flights of Dakotas. I must say I never saw anything finer than the sticks of men coming out of the aircraft, their bodies almost horizontal, then swinging down to the perpendicular position, the parachutes opening up and all of them landing almost in a row. It was a superb operation. We had Dakotas then. I do not know of any country in the world that has anything better than Dakotas to do that job, except the United States. Their aircraft for that job are of the C-82 and C-119 types. The United States had two C-82's at Sweetbriar, and we had a good many more Dakotas. They had no C-119's. We have contemplated buying the C-119, and we have even contemplated making it in Canada. At this particular moment, it is felt we just cannot afford it. Each of those aircraft would cost over half a million dollars, and with a year's supply of spare parts as well as the modifications, it might well run into a million dollars.

It is felt that this exercise has shown that the defence of our northwest, which is important beyond words, is an operation in joint defence. In that operation, the Canadians took just as great a part, and did just as well, as the fine forces of the United States. When you move up the highway from Whitehorse to Snag, and then cross over into Alaska, it takes a cut boundary line to tell where the boundary is. No enemy would ever respect that boundary. The defence of that country must be done as a joint or combined operation. As matters stand, we will play our part, a proper, fair, honest, respectable and respected p rt, in any combined operation.

I am afraid, sir, that I have anticipated something of what I was going to say next Friday and have also delayed the house too long, because I am sure some hon. members are anxious to get into supply and discuss other matters of real importance, in addition to defence. The hon. member for Middlesex East referred to the Royal Military College at Kingston. I wonder if he has ever been there? I should like to ask him if he has ever been there. I was there following the demonstration of the CF-100 and the transport aircraft, equally good in its field.

Mr. Smith (Calgary West): And attended a hockey match.

Mr. Claxton: On Saturday I motored down and assisted in laying the cornerstone of a new building and then attended a hockey match. The hon. member for Calgary West (Mr. Smith) is quite right. And I was extremely pleased to be present at a hockey game and see R.M.C. win over West Point for the first time since 1938! But I saw, as I have seen on four or five visits I have made to that college over the last year, the work being done, the bearing of the cadets, the quality of the staff, and the amount of research work that is being done by the staff; and I honestly wonder if the hon. member for Middlesex East (Mr. White), whom I respect, should not accept from me an invitation to go there and see what is going on. I think he would come back and say that it was a good thing for Canada that we had a college like that.

In conclusion I should like to refer to some remarks, in that connection and others, of a great general, Field Marshal Earl Wavell, who, in an article appearing in the *Sunday Times* of December 18, 1949, and headed "A Great Nation's Greater Future", had this to say:

> My visit was primarily a military but unofficial one, to the Black Watch of Canada, which most proudly and worthily upholds the traditions and reputation of the oldest Highland regiment. I had also an opportunity at Ottawa and at Kingston, where the staff college and Royal Military College are very pleasantly situated on lake Ontario, of learning something of Canada's military ideas and progress. They seem to me eminently sensible.

Then he went on:

> Canada has gone farther on the road to the integration of the three fighting services than any other country. There is a single defence budget; and while I was in Ottawa a bill was passed providing for a common code of discipline for all three services. The Royal Military College at Kingston trains cadets for all three services together; they looked to me a very likely lot of lads. The graduates of the staff college, also a combined one, whom I saw on the last day of their course, were obviously keen and efficient.
>
> Canada does not attempt to maintain a large force in being, but does manage to keep alive the military spirit which proved itself on the battlefields of two great wars; and to be prepared to raise the forces necessary for any fresh emergency without undue delay. In political affairs, too, I should say that Canada gets herself governed—

And here perhaps we should hide our blushes.

Mr. Fulton: Is he a qualified observer?

Mr. Claxton: The article continues:

—with a maximum of quiet efficiency and a minimum of fuss and interference. As a proof of her political stability, it is worth while to note that in the eighty-two years since federation in 1867 Canada has had only 12 prime ministers and 17 ministries.

And then these words:

A great nation already, Canada has a still greater future.

That, Mr. Speaker, is my belief. It is also my belief that the armed forces of Canada are today working to secure that future. From what I have seen of them—and I venture to say that I have seen a great deal more than has any other hon. member in this house—my belief is that they are people with whom it is good to work. They are good citizens first; they are good Canadians; and they are good soldiers.

I must say I am sure that they, like myself and all others concerned with our national defence, welcome every kind of suggestion and every offer of co-operation so that our armed forces can become better still; because Canada deserves nothing but the best.

Mr. George A. Drew (Leader of the Opposition): With the closing remarks of the Minister of National Defence (Mr. Claxton), Mr. Speaker, there will be complete agreement. I might point out that there is, of course, no one in this house—including the Minister of National Defence—who has had experience in any way comparable with that of the hon. member for Nanaimo (Mr. Pearkes) whose service was direct and immediate, in active command of these very troops for whom these high praises have been expressed. When the hon. member for Nanaimo gives voice to the views he has expressed here as to the necessity for a committee of this kind, he is doing so out of a background of experience unique in this house; and he is doing so as a man who rose from the ranks to the command of a division. From the experience he has had he knows, better than anyone else, of the high qualities of Canadian troops in every kind of active service. It is out of that experience that he has made this motion that is now before the house.

Tonight we have listened to the Minister of National Defence give the strongest argument that has yet been presented in this house for the committee that is asked for by this motion. It is extraordinary, Mr. Speaker, how sometimes quite innocently a strong argument can be given. The Minister of National Defence just read a statement by a great soldier. Lord Wavell was one of the outstanding officers of the last war. But, like everyone else, Lord Wavell can be misled by propaganda.

Some hon. Members: Oh, oh.

Mr. Drew: The Minister of National Defence has quoted an article in which Lord Wavell said "While I was in Ottawa a bill was passed providing for a common code of discipline for all three services." Every member of this house knows that that bill is not even in the house yet. We all know that Lord Wavell must have been misled by somebody who was guiding him on that trip, because he himself is a most careful man. But unfortunately he did not know of the extent of the inaccuracies that we are called upon to accept here.

Mr. Rowe: He has not had our experience of them.

Mr. Drew: No. Some question was raised that implied an element of surprise that this motion should come on at this time when the estimates are to be considered on Friday, as we hope. Let us be quite clear as to why this motion is before the house at this time. On Friday there will be brought forward the estimates of the department which is asking for the largest amount of money asked for by a department of national defence in this country, and much the largest amount of money asked for by any operating department of the government. It is asking for $425 million, and it is asking for more than that; because in addition to the $425 million being asked for in the estimates as presented, it is also asking for $194 million in deferred obligations, bringing the amount actually under consideration by this parliament to $619 million. It is appropriate that just today in the Montreal *Standard* there should appear that article by the Minister of National Defence entitled "Defence is Big Business." It certainly is. What we are dealing with is $619 million. In this the Minister of National Defence quite properly puts forward a number of views as to the defence plans of this country. I think it would be very interesting for hon. members to read the article and obtain some information as to the problems that are being considered by the department. In this article we find this statement:

Last year we spent $145,033,051 on construction and maintenance of buildings, equipment, food and other supplies through 65,308 contracts placed through our crown-owned purchasing agency.

That is an interesting figure, because it indicates the extent of the interest hon. members should have in this department.

Why is it suggested that there should be an opportunity to examine these accounts in a way that cannot be done here? It is most unfortunate that the Minister of National Defence should so underestimate the intelligence of the people of Canada, if not the

intelligence of hon. members, as to convey the impression that by an examination of these estimates we are able to get down to any detailed knowledge of what the facts are. Look at your estimates; look at the huge sums blocked in $25 million, and then have it suggested that in these estimates we are in a position to find out how the money is being spent. It is our duty to find that out.

It is not only the question of the adequacy of our preparation; it is the question of how the money is being spent. This is not something that affects only Canada. After all, if there is one man in public life in the world today who has had experience and knowledge of defence estimates it is Winston Churchill. This is what he had to say a couple of weeks ago in referring to the estimates of £2,125 million, then under consideration in Great Britain. I quote his words:

> I have a feeling, having handled these things before, that a considerable reduction in the expense and burden of our defences might be combined with an actually stronger fighting force and better conditions for the troops.

We have in mind not only that; we want to know whether we are getting the best type of balanced military forces; we want to know whether the money is being properly spent, and whether there are any economies that could be practised which would save money for the people of Canada.

As I said, one of the reasons that the Minister of National Defence had himself given the strongest argument for the setting up of this committee is the extraordinary misinformation that he gave this house. Referring to an editorial in the *Globe and Mail* of November 30 last, the Minister of National Defence said that in that editorial it had been stated that in Britain there is a special subcommittee on defence estimates, and that we should have a similar committee here, where staff officers could be called. He sought to convey the impression that staff officers are not called before that committee there. I do not think anyone will question that that was the impression he sought to give.

Mr. Rowe: That is what he said.

Mr. Drew: I have in my hand the second report from the select committee on the defence estimates of last year. Just let me indicate to the house the kind of thing they have under consideration. This is a statement made by one of the members of the committee during the hearings:

> But this inquiry really deals with defence, and we want to find out how much money is being properly or improperly used by the service departments in respect of defence, and how much, if any, of the expenditure has been incurred on behalf of civil aviation, or whatever it might be.

That is clear enough. This committee in Britain goes right into the question of how the money is spent, and of the allocation of the money, and whether it is being properly allocated for civil aviation, military aviation or otherwise. Let us see who appear before that committee. Let me just take as an example one day, February 16, 1949. At the opening of the hearing on that day the chairman said:

> For the purposes of the record, Sir Harold, would you once more state your position?
>
> (Sir Harold Parker:) I am the permanent secretary of the ministry of defence.
>
> General Hollis? (Lieutenant-General Hollis): I am chief staff officer, ministry of defence.

These are the witnesses.

> And Captain Searle? (Captain Searle): I am the admiralty representative on the oversea defence committee, and director of plans.
>
> Major-General Redman? (Major-General Redman): I am director of military operations.
>
> Mr. Key? (Mr. Key): I am assistant secretary, F1 and F5.

Then it goes on:

> And we have a representative of the air ministry? (Air Vice-Marshal Foster): I am assistant chief of the air staff for policy and plans.

That is the kind of thing, Mr. Speaker, that makes it so utterly impossible for hon. members to have any confidence in the statements made here on national defence.

Mr. Claxton: Excuse me. If I may, what I said was that there were no chiefs of staff, and no one in charge of operations. That will be found to be so. The hon. member has not yet referred to any who are.

Mr. Drew: Just the chief staff officer in the ministry of defence, and just the director of plans, that is all. These are not staff officers; these are not men who are military officers; they know nothing about it. These are people dealing with all accounts and economies. No; there was an attempt to mislead this house. These are not by any manner of means the only witnesses who were called. Read through this record, and you will find the witnesses of the highest standing who were brought before that committee to give their evidence and to assist the members of the house in regard to the subjects that were under discussion. Let me give the house the names of a few others, all experts. They are: Sir John Lang, K.C.B.; Sir George Turner, K.B.E., C.B.; Sir James Barnes, K.C.B., K.B.E.; Sir Archibald Rowlands, G.C.B., M.B.E.; and Sir Harold Parker, K.C.B., C.B.E., M.C.

These are only some of the witnesses who were brought before this committee and examined in regard to the way in which the money was being spent and the results that were being obtained. That is a regular, annual committee that sits and hears evidence and gives advice as to how the money can

best be spent with economy on the one hand and with efficiency in the actual military preparation on the other.

This subject is not one that has only arisen by way of suggestion that we should try to change our constitutional procedure. On the contrary, here is the mother of parliaments, as the Minister of National Defence has described it, going into their estimates with a committee whose evidence is printed in full and handed to the house. This is only one of the reports that they make each year on this subject. Why the difference between the Minister of National Defence today and the man he was in 1943? Why has all this change come about? In 1943, as has already been stated, and quoted, he then made one of the strongest arguments possible in regard to setting up a committee on national defence—under our system, not the American system. He pointed out that before a committee of the house there could be an inquiry into the army, the navy and the air force, where members of all parties in the House of Commons could sit around and have evidence brought before them and, in an impartial manner, reach conclusions that would be of assistance to the whole house.

Why the change?

Then he was parliamentary assistant, I believe, to the then prime minister; and in that capacity, and with that experience, he thought then there should be a committee on national defence. But now, as Minister of National Defence, he suggests to us that this would be contrary to the constitution and that it would, in fact, be an attempt to accept the American system of government, which is so unlike our own. To use his exact words —"It is an appeal to change our constitutional system, because it is not anything less than that."

Mr. Speaker, within the bounds of parliamentary procedure, it is not possible to use words that describe language of that kind, in relation to what the reality is. And after all, is it not remarkable that it should be so unconstitutional to have a committee on national defence when it is perfectly constitutional to have a committee on external affairs? And yet these are twin departments which are related to the maintenance and security of this country.

The Department of External Affairs is closely related to the Department of National Defence—so closely related, in fact, that the Department of External Affairs must, for instance, screen the arrangements which are made for the export of arms. Naturally that is something in which the Department of National Defence is not interested. But when I hear statements made about the lack of confidence of this government in the government of China, I cannot help wondering why it was that this government was sending millions of dollars' worth of arms and aircraft to the government of China last year, on the approval of the Department of External Affairs.

That is something members should realize —this close fellowship. They drive as a team, and if external affairs says that arms should not go to a particular country, they do not go. But when this government sends rifles and munitions and aircraft and nickel and other things of that kind to governments elsewhere, they do so with the approval of the Department of External Affairs and obviously with the approval of the Department of National Defence, because only the Department of National Defence could have had control over those military rifles and munitions. They are as close as that.

Yet we have a committee dealing with the Department of External Affairs, a committee precisely like the committee in Great Britain on national defence. And we have a committee on atomic energy, that other branch of activity which is so closely related to defence these days.

Mr. Howe: You had a committee.

Mr. Drew: You are not going to have one again?

Mr. Howe: I have not been asked to.

Mr. Drew: I had hoped this had become a good habit. I hope this remark by the minister is not a suggestion that we will not have it again.

In any event it did produce very satisfactory results. It produced results; there was no breach of confidence and no improper disclosure, while at the same time it satisfied those who attended that things were being done in accordance with the best practice in regard to that particular subject. And that is exactly what committees of this kind should be able to do.

This committee also would have the right to find out why arms and munitions in enormous quantities are being sent to other countries—because it is for members of this house to know whether these are surplus rifles, or whether we are replacing them with a new type of rifle, or just what the circumstances are under which our reserve military surplus supplies are being depleted in any respect.

Now the Minister of National Defence has made a lot of general statements in regard to the amount of information given. He said that, in fact, this charge of a refusal to give information is rather flattering and somewhat complimentary to the Department of

National Defence. Then he goes on and makes a statement to this effect—"I would like to say this, and I would say it without fear of contradiction, that never in the history of this parliament has the house been given so much information as it has during the past three years."

Well, I have been here for just over one year, and I do know that, if the two presentations of estimates we have had are samples, no parliament has had less information which could really make it possible for the members to express an opinion as to whether the troops are satisfactory, or whether the equipment is satisfactory.

Last year, the minister told us—and these were his words—"information was given in a more palatable form than ever before." Palatable to whom? Palatable to the minister; palatable to those who are prepared to accept meaningless generalities, and at a time like this not prepared to fulfil their obligations as members of parliament and demand the facts for which this money is being spent.

I know the minister may not actually admire those cartoons; but sometimes one cannot help wondering when we see the minister wearing that paper hat that he appears in so often in a particular cartoon, because to hear some of these statements made you would think we were living in a kind of make-believe.

We are living in a land of cold reality that cannot be measured alone even by the more than $600 million that goes to this department. We are living in a land of reality in which the evidence is that Russia today has an air force with 9,000 transport and other heavy planes, and that they have today in these various fields of activity the largest army in the world, and that they have the largest air force, and that they have the largest navy. We have, for instance, the figures in Jane's annual book, recently published, and today regarded as almost an official publication, to show that Russia now has 360 submarines and expects to have between 750 and 1,000 submarines next year. This is merely an indication of the kind of reality we are facing.

It does not help to have the Minister of National Defence go on a junket, as he did out to western Canada, when he made forty speeches and told the people some things about national defence. On one occasion he said that we had a higher percentage of jets than any country in the world.

Mr. Claxton: I never said anything of the kind.

Mr. Drew: What did you say?

[Mr. Drew.]

Mr. Claxton: I never said anything of the kind.

Mr. Drew: You said that our plans called for the highest number of jets of any country in the world.

Mr. Claxton: I never said anything of the kind.

Mr. Drew: We will see what some of the things are you did say. Here, for instance, is an editorial in the Calgary *Herald* of January 27.

Mr. Claxton: The hon. member said I said something. Does he say I said it, or not?

Mr. Drew: I say that you were reported to have said—

Some hon. Members: No, no.

Mr. Drew: Mr. Speaker—

Mr. Speaker: Order. May I inform both the leader of the opposition and the minister that it might be better if they would address the Chair.

Mr. Drew: Mr. Speaker, I think the attitude that has been adopted in this case is evidence of what is happening in this house. Does anyone here suppose that I was on that trip with the Minister of National Defence? I had better use to make of my time. While the Minister of National Defence has extended every courtesy to me, he would not have expected me to go on that trip and I would not have expected to have accompanied him. The minister knows perfectly well that I was not there and he knows I am referring to reports of what he said.

Mr. Claxton: It would be interesting if the leader of the opposition would give the report so that I could deny it.

Mr. Drew: What I said is that the minister was reported as saying that our—

Some hon. Members: No, no.

Mr. Drew: I said the minister was reported as saying that our plans called for a larger percentage of jet planes than any country in the world. If he did not say that, let him say so.

Mr. Claxton: The leader of the opposition did not say that I was reported as saying that, he said that I said it.

Some hon. Members: Oh, oh.

Mr. Claxton: The leader of the opposition has not produced the report to which he has referred. If he does produce the report, it will be wrong.

Mr. Drew: It is the same old story. I am reading from an editorial in the Calgary *Herald* of January 27 which states:

Hon. Brooke Claxton's nimble footwork in an interview with a representative of this newspaper

on Wednesday must not be allowed to divert attention from the central problem of Canada's defence: Have we an actual defence force, capable of taking the field, or haven't we? And if not, why not?

Mr. Claxton: What about these jets?

Mr. Drew: What is the minister bothering about now?

Mr. Claxton: Just your statement about jets.

Mr. Drew: Mr. Speaker, I have said before and I repeat, that I made the statement that the minister was reported to have said—

Some hon. Members: No, no.

Mr. Drew: —that our plans called for the use of a larger percentage of jet planes than any country in the world. He either made that statement or he did not. If he denies it, I am called upon by the rules to accept his statement.

Mr. Claxton: Read the report.

Mr. Drew: I have made a statement and the minister either denies it or he does not. If he does not deny it—

Mr. Claxton: The leader of the opposition is attempting to diminish his statement. He said I made a statement and now he says there is a report that I made a statement. I say that he ought to prove one or the other, and I also say that he cannot prove either.

Mr. Drew: Mr. Speaker, I have said before that I have made a statement and the minister can either challenge it or not. If he denies it, I am called upon to accept it.

Mr. Garson: Read the report.

Mr. Drew: I am reading something else and I do not intend to read anything but what I have before me. Do not let the minister who tried to mislead the house in regard to these defence estimates make statements of that kind. I am going to read—

Mr. Claxton: The hon. member—

Some hon. Members: Sit down.

Mr. Claxton: On a point of order.

Some hon. Members: Sit down.

Mr. Speaker: May I say to the minister that the leader of the opposition has the floor.

Mr. Claxton: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: The minister can ask a question with the consent of the leader of the opposition or he can rise on a point of order.

Mr. Claxton: I rise on a point of order.

Some hon. Members: Sit down.

Mr. Speaker: As I said, the minister may rise with the consent of the leader of the opposition and ask a question, or he can rise, as can any other hon. member, on a point of order.

Mr. Claxton: I am—

Mr. Drew: Mr. Speaker—

Mr. Claxton: —asserting the right that any hon. member has to raise a point of order. My impression was—I may be wrong—that in his concluding remarks the leader of the opposition said that I had misled the house.

Mr. Rowe: It amounts to that.

Mr. Claxton: I think, therefore, he should be called upon to withdraw that remark.

Mr. Rowe: No, to prove it.

Mr. Drew: Now, I am going—

Some hon. Members: Withdraw.

Mr. Speaker: The leader of the opposition made a statement to which objection has been taken. I might point out that Beauchesne's second edition sets out on page 99 certain expressions which have been ruled to be unparliamentary in the British House of Commons, and one of these is:

That a minister has stated what he knew not to be correct.

I would think that misleading the house would be stating what was known not to be correct.

Some hon. Members: No.

Some hon. Members: Withdraw.

Mr. Drew: Mr. Speaker—

Some hon. Members: Withdraw.

Mr. Drew: The minister may be misleading the house innocently or otherwise. There is no occasion to withdraw the remark when there is not some accompanying word that makes it deliberate.

Mr. Speaker: If the leader of the opposition is not saying that it was done deliberately I would not ask him to withdraw.

An hon. Member: You have him worried, George.

Mr. Speaker: In this respect I may say that I have given a very generous interpretation to the remark. If I remember the words of the leader of the opposition correctly, he said that the minister had tried to mislead the house. Can a member try to mislead the house without knowing he has tried?

Mr. Drew: Mr. Speaker, I am going to continue this because it has reference to the problem. I quote:

All Mr. Claxton's talk that "it all depends on the time element" and his insistence that these things must be considered in relation to "the likelihood and scale of attack" are so much camouflage. We

trust that in the coming session the Minister of National Defence will not be allowed to dodge this issue any more.

For a start, M.P.'s should insist on being told whether Canada possesses any operational forces, in the strict sense of the word, at all. By "operational forces" we mean combat units which could take the field and engage an enemy immediately. Mr. Claxton makes much of what he calls the "time element"—but it seems to us a very dangerous doctrine to suppose that there would be any time element at all in an emergency.

Then I come to a paper which has not always been unfriendly to the government, the Saskatoon *Star-Phoenix,* which states:

Since Mr. Claxton made almost forty-six speeches during his western trip, it must be assumed that he considered his junket, in part at least, as a public relations job. From this point of view his performance in Saskatoon (where he made four speeches) must be judged a failure. Our minister of defence has come and gone and we are no better informed on the principles governing our defence experts' thinking, on the state of our armed forces, on the part we play in the Atlantic association, than we were before he came. In a city keenly aware of the threat from the north Mr. Claxton found himself unable to rise above bromides and platitudes.

And later on:

So far Mr. Claxton and his colleagues have refused to give us anything to work on. It is literally true that the average Canadian knows more about the size, equipment and disposition of the American forces than he does about his own.

He also knows more about the principles upon which American planners base the defence of the continent than he does about what our own planners are thinking. For a few dollars he can buy Vannevar Bush's recent book, "Modern Arms and Free Men", and learn more about the technical developments in warfare and their implications than Canadian officials have released in the past decade.

In case it may be suggested that there is any attempt simply to quote those papers that might not be unduly favourable, let me quote the Toronto *Daily Star* which has not been regarded as extremely unfavourable to the government. In the closing paragraph of an editorial headed, "Canada's national security", they say:

As defence problems ought to be considered on an all-party basis, it seems not unreasonable that parliament should have a defence committee in which the utmost frankness consistent with safety should prevail. Should occasion arise, the committee could go into secret session to hear confidential reports. The committee, however, should not be given a status that would relieve the defence minister or the government of any of their responsibility for maintaining national security.

That editorial reflects the general opinion that has been expressed across the country in regard to the desirability of bringing these subjects under consideration, finding out exactly what it is we are spending money on, whether in fact we really have a defence force consistent with the needs of Canada at this time, whether more than $600 million is going to be properly spent on this particular occasion, and also, remembering the words of the minister, whether contracts that run into thousands of dollars are being properly dealt with and properly let.

One could not help of course feeling a great interest in the study group of the Liberal party which unfortunately caused so much misunderstanding, but it was rather interesting that when Mr. Low was giving his explanation it did not embrace quite as wide a field. They were having an informal chat about matters connected with the letting of contracts, and it was doubtless a very informal chat, but at least it is interesting that the method by which these thousands of contracts are let is subject to study, and we hope that study will be extended to the advantage of the people of Canada if not to the others who are concerned.

So far as the amendment is concerned, it is nothing but the most blatant evasion to suggest for one moment that there is any breach of our constitutional practice called for in setting up a committee on national defence. The Minister of National Health and Welfare (Mr. Martin) is asking for a committee.

Mr. Martin: You are opposing it.

Mr. Drew: The minister must be a mind-reader. I have not spoken on that subject yet. If it is unconstitutional to have a committee dealing with the problems of the Department of National Defence it is equally unconstitutional to have a committee dealing with the problems of the Department of National Health and Welfare, the Department of External Affairs, or any other department of the government. It is the most meaningless evasion that this house has heard. It is simply an attempt to dodge the responsibility of presenting to the house information which every member should have. The minister talks about the information that is given on the estimates, but what earthly opportunity is there for any hon. member to get down to any detail that would help dètermine whether or not the money is being properly spent? Look at the bulk figures even in what is given in the details of the estimates. You will find there such figures as $22,492,208 for acquisition, construction, purchase, maintenance, repairs, rentals and operating expenses of properties for the army. A fine chance there is for anyone in this house to fulfil his obligation to find out what the money is being spent for or even whether money is being lost. What about the military camp that disappeared at Farnham? What about other military camps that have almost walked away? We have a right and a duty to find out exactly what has happened to that government property. The only place we can do

so is before a committee of this kind. Before hon. members of the house applaud the remarks of the minister in evading his responsibility in this way it would be well for them to bear in mind that we are dealing with the national defence of Canada, and that every one of them knows perfectly well that they will get no information on the discussion of the estimates which will make it possible for them to determine whether or not the money is being properly spent.

Undoubtedly it would take time. Undoubtedly it would involve the attendance of officers before that committee just as it involved staff officers before the committee in Great Britain last year, and as it will involve the attendance of staff officers this year. It took time, but it also presented an opportunity for that house to get the actual information. If the issues are unpleasant to face then they are too dangerous to hide. After all, facts are the very foundation of our democracy, and it is the duty of members of this house to support an amendment which calls for the production of the facts in the one and only way that they can be obtained. In spite of the remarks of the minister and the way in which this has been done, I still hope that he will concur in the amendment when it is presented.

The house divided on the amendment (Mr. Pearkes) which was negatived on the following division:

YEAS

Messrs:

Adamson	Herridge
Argue	Higgins
Aylesworth	Hodgson
Balcer	Johnston
Beyerstein	Jones
Blackmore	Knight
Blair	Knowles
Brooks	Lennard
Bryce	Low
Casselman	Macdonnell (Greenwood)
Catherwood	MacInnis
Charlton	McGregor
Coldwell	McLure
Courtemanche	Noseworthy
Coyle	Pearkes
Drew	Quelch
Fair	Rowe
Fleming	Smith (Calgary West)
Fraser	Stanfield
Fulton	Thatcher
Gibson	Thomas
Graydon	Tustin
Green	White (Hastings-Peterborough)
Hansell	Wright
Harkness	Wylie—51.
Hatfield	

NAYS

Messrs:

Abbott	Beaudry
Applewhaite	Blanchette
Ashbourne	Boivin
Beaudoin	Bonnier
Boucher	LaCroix
Bourget	Lafontaine
Bradette	Laing
Brown (Essex West)	Larson
Bruneau	Leduc
Byrne	Lefrancois
Campney	Leger
Cannon	Lesage
Carroll	Macdonald (Edmonton East)
Cauchon	MacDougall
Cavers	Macnaughton
Chevrier	McCann
Clark	McCulloch
Claxton	McCusker
Corry	McIlraith
Cote (Verdun-LaSalle)	McLean (Huron-Perth)
Darroch	McWilliam
Denis	Major
Dewar	Masse
Dickey	Martin
Dion	Matthews
Dumas	Maybank
Follwell	Monette
Fournier (Hull)	Mott
Fulford	Mutch
Garland	Nixon
Garson	Pouliot
Gauthier (Lake St. John)	Proudfoot
Gauthier (Lapointe)	Prudham
Gauthier (Portneuf)	Ratelle
George	Richard (St. Maurice-Lafleche)
Gingras	Riley
Gingues	Rinfret
Goode	Roberge
Gosselin	Robertson
Gour (Russell)	Rochefort
Gourd (Chapleau)	Rooney
Gregg	St. Laurent
Hellyer	Simmons
Henderson	Sinclair
Henry	Stewart (Yorkton)
Hosking	Thomson
Howe	Tremblay
Huffman	Valois
James	Viau
Jeffery	Warren
Jutras	Weir
Kent	Whitman—106.
Kickham	
Kirk (Antigonish-Guysborough)	

Mr. Speaker: I declare the amendment lost.

Some hon. Members: Question.

Mr. Speaker: Does the motion carry?

Mr. Knowles: Eleven o'clock, Mr. Speaker.

Mr. Harris (Danforth): I was paired—

Mr. Speaker: Do hon. members wish to declare their pairs?

Mr. Coldwell: I think that standing order—

Mr. Speaker: Order. I will hear any members who wish to declare their pairs.

Mr. Harris (Danforth): I was paired with the hon. member for Waterloo North (Mr. Breithaupt). Had I voted, I would have voted in favour of the amendment.

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). If I had voted, I would have voted for the amendment.

Proposed National Defence Committee

Mr. Cardiff: I was paired, Mr. Speaker. If I had voted, I would have voted for the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). If I had voted, I would have voted for the amendment.

Mr. Coldwell: At three o'clock this afternoon, Mr. Speaker, I was somewhat sharply reminded that there were certain rules which governed this house. One of those rules is that we adjourn at eleven o'clock. I suggest that we call it eleven o'clock.

Mr. Abbott: Let us get to the consideration of the estimates as soon as possible so that we can scrutinize the expenditures carefully.

Mr. Knowles: What about unanimous consent?

Mr. Speaker: Is it the pleasure of the house that this debate be adjourned?

Mr. Coldwell: Eleven o'clock, Mr. Speaker.

Mr. Abbott: I do not want to hear too many speeches about considering the estimates; we have already heard a great many.

Mr. Speaker: The hon. member for Rosetown-Biggar (Mr. Coldwell) moves, seconded by the hon. member for Vancouver East (Mr. MacInnis), that this debate be now adjourned.

Some hon. Members: No.

Mr. Coldwell: Yes.

An hon. Member: Eleven o'clock, Mr. Speaker.

Mr. Speaker: It being after eleven o'clock, unless there is unanimous consent, I am forced to put the motion for the adjournment of the debate.

Mr. Knowles: The Prime Minister is not asking for unanimous consent.

Mr. Abbott: A month has elapsed and only two departments are in supply.

Mr. Speaker: Order. Mr. Coldwell moves, seconded by Mr. MacInnis, that the debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall resume the debate on the address.

It being fifteen minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, March 15, 1950

The house met at three o'clock.

HOUSE OF COMMONS

WELCOME TO VISITORS IN GALLERY FROM MONTREAL

Mr. G. A. Cruickshank (Fraser Valley): On a question of privilege, Mr. Speaker, in view of the absence of the Minister of National Defence (Mr. Claxton) I should like to bring to your attention the fact that we happen to have with us today in the gallery a group of the good citizens of Canada from his district, and among them happens to be one of my nieces. I also wish to say, sir, that you will never see a more beautiful group no matter how long you are here. I want to welcome them on behalf of the Minister of National Defence.

ROYAL CANADIAN AIR FORCE

FIRE AT CRUMLIN, ONT., AIRPORT

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of National Defence or his parliamentary assistant. In view of the recent disastrous fire at Crumlin, is he at this time prepared to make a statement with regard to it?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): I will take the question as notice, Mr. Speaker.

LABOUR CONDITIONS

POLYMER CORPORATION, SARNIA—REPORT AS TO THREATENED STRIKE

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to direct a question to the Minister of Trade and Commerce. It is based on a dispatch in today's *Globe and Mail*, and also on a telegram which I have just received. The dispatch indicates a threatened strike of employees at Polymer Corporation which would involve all the major industries in Sarnia. Is the Minister of Trade and Commerce prepared at this time to make a statement to the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have had no report today from the Polymer Corporation, but a few days ago it was reported to me that a conciliation board had been sitting on a labour-management dispute, and that the board had brought in a unanimous finding which the management intended to accept. What has developed since I cannot say. The management of the corporation handle their own labour negotiations. From what I know of the relations between the management and labour at Polymer I can assure my hon. friend that there is not likely to be a strike.

TREE FRUIT INDUSTRY

BRITISH COLUMBIA—REQUEST FOR SUBSIDY OR OTHER FINANCIAL ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the parliamentary assistant to the Minister of Agriculture. In view of the serious marketing situation facing the tree fruit industry in British Columbia, has the government given consideration to the granting of a subsidy or other form of financial assistance? If so, has a decision been reached?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): In reply to the question asked by the hon. member for Kootenay West, I can say that the Department of Agriculture has given consideration to this question, but no decision has been reached as yet.

HANDICAPPED PERSONS

QUESTION AS TO PROPOSED DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, may I ask the industrious and diligent Minister of National Health and Welfare whether he or any member of the cabinet has called a dominion-provincial conference to consider the rehabilitation of handicapped persons and the provision of more adequate protection for disabled persons?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman, who has always taken a great interest in this problem, was kind enough to give me notice of his question. The Minister of Labour, acting in collaboration with the Minister of Veterans Affairs and the Minister of National Health

and Welfare, has issued invitations to provincial authorities to send representatives to a conference on the rehabilitation of handicapped persons. The date has been fixed as May 25. This conference of course will be of an exploratory nature, and will be held on the technical level. It is expected that representatives of some voluntary organizations will be present. The discussions will cover the entire field of rehabilitation, and I know my hon. friend will follow the proceedings with great interest.

Mr. Knowles: May I ask a supplementary question? Will the conference to which the minister referred in his answer to the hon. member for Temiscouata have the right, or the necessary terms of reference, to discuss the possibility of some pension arrangement for invalid or incurable people?

Mr. Martin: Mr. Speaker, I have given as complete an answer as I think one can give in the circumstances.

Mr. Knowles: What does that mean?

ST. PATRICK'S DAY

QUESTION AS TO HALF HOLIDAY FOR HOUSE OF COMMONS

On the orders of the day:

Mr. Daniel McIvor (Fort William): I should like to direct a question to the Prime Minister. I have not given him notice of the question, but I know he is intelligent enough and knows all about the background. I am asking the question in order that he may have time to prepare. Will the house be allowed to have a half holiday on Friday, March 17, to celebrate St. Patrick's day?

Right Hon. L. S. St. Laurent (Prime Minister): I would, as much as the hon. member, appreciate a half holiday, but it has not been the practice in the past, and the progress we have made since the beginning of the session would not indicate that it would be wise to start half holidays at this time.

Mr. McIvor: Thank you.

WHEAT

INQUIRY AS TO PAYMENT ON SALES, 1945 TO 1949

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I wish to direct a question to the Minister of Trade and Commerce similar to that which I asked him the other day. Has a decision been arrived at as to further payment from the wheat pool? The reason I ask the question is that in the last three days I have received some thirty-eight letters inquiring about this matter. If a decision has not been reached, when may it be expected? The matter is of general interest.

Right Hon. C. D. Howe (Minister of Trade and Commerce): There will be a substantial payment from the wheat pool, but this is the last year of the five-year pool. It is expected that the pool can be wound up shortly after the end of the pool period, which is July 31 next. In view of that, it has been decided that no interim payment will be made, but a final payment will be made as promptly as possible after the crop year ends.

CANADIAN NATIONAL RAILWAYS

SHIPPING OF POTATOES AND TURNIPS—SUPPLY OF REEFER CARS IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. Chester S. McLure (Queens): In the light of disquieting phone calls, telegrams and air mail letters which I have received from Prince Edward Island shippers and farmers in regard to a shortage of cars to move the potato and turnip crop, I desire to direct this question to the Minister of Transport. Will the minister state whether any improvement can be looked for immediately?

Hon. Lionel Chevrier (Minister of Transport): The answer, Mr. Speaker, classically speaking, is yes; but the answer in detail is this: I rather expected that my hon. friend would ask the question, so I came down armed with a reply. The present position is that in Prince Edward Island for loading at the moment there are 220 reefer cars; in transit for loading, 220 more, which make 440. As I said before, Canadian National Railways think that when the position is 350 it is a good one. Therefore I do not think my hon. friend should be too greatly alarmed at the position of reefer cars on the island.

Mr. McLure: Thanks for the action.

RADIUM

THEFT OF NEEDLES FROM NATIONAL RESEARCH BUILDING—RESPONSIBILITY FOR BURNS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yesterday the hon. member for Peterborough West (Mr. Fraser) addressed a question to me with reference to the recent theft of certain radium needles from the national research council. In stating the question he made certain allegations—that the theft was due to gross negligence and lack of proper handling and storage of the radium needles by this government.

As I stated in the house on March 10 last, a specially-constructed receiving depot had

been built at the back of the main building to hold shipments of radium needles for a brief period. I explained why the separate building is needed. These facilities have been considered adequate for a number of years, and it does not seem that there is any question of negligence. However, as I also stated in the house on Friday last, the incident does prove that the receiving hut is not burglar-proof.

With reference to the young boy who had been in possession of the needles, the health officer of the city of Ottawa has already announced that a medical examination of the boy showed no evidence of radium burns. As for the two small marks the Lamirande boy found on his thumb, Dr. Day has stated: "One of them was merely a cut in the healing stage. The other was a small callosity on the end of his thumb, and there was only a slight possibility that it was a radium burn. Burns are almost never evident within ten days, and the thumb mark appeared too soon".

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, March 13, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I was prompted to re-enter the debate at this time by the very remarkable speech of the Minister of Fisheries (Mr. Mayhew) the day before yesterday.

Some hon. Members: Hear, hear.

Mr. Drew: I am interested to know that his speech meets with approval of some of the members on the government side of the house, because I was under the impression that it did. I was also under the impression that it represents a great deal more than the casual view suggested by the minister himself when he read a prepared text. However, before I deal with that speech I wish to review the motion before the house, and the amendments on which votes will be taken soon—I hope.

Some hon. Members: Oh, oh.

Mr. Drew: Yes, and may I say, in response to the interjection, that it will be taken when the Liberal members have decided that they have made enough speeches.

An hon. Member: They have not made half as many as you.

Mr. Drew: Do not let there be any suggestion that this delay is caused for any other reason. There have been forty Liberal speeches so far, and the indication is there will be a great many more.

I mention this now only for the purpose of reminding hon. members of the House of Commons that any delay is entirely due to the fact that hon. members on every side of the house have exercised their right to speak. And I suggest that instead of questioning the right of members to speak, it is very commendable that they do feel freer to speak than apparently they did in the past.

Some hon. Members: Oh, oh.

Mr. Drew: I cannot imagine any better evidence of the intelligence which has gone into some of this debate than the laughter which accompanied my last remark.

Mr. Lesage: You lack a sense of humour.

Mr. Drew: This debate has wandered over a very wide field.

An hon. Member: Here we go again.

Mr. Drew: Not only has it wandered over a field including the local interests of various ridings, as is in keeping with the tradition of this debate, but it has also followed the unusual course of placing on the record political speeches made by the Minister of Agriculture (Mr. Gardiner) and others during the election campaign last year.

An hon. Member: We got results.

Mr. Sinnott: Let us have yours.

Mr. Drew: Those speeches form a very good basis for emphasizing the importance of the resolution before the house, and the reason why it should be supported by all who still believe in responsible government.

The debate is based upon an amendment I moved, and to which there is a subamendment, upon which the vote will be taken. That debate started four weeks ago tomorrow; therefore it would seem desirable to recall the exact terms of the main motion and the amendments thereto. For convenience I propose to read the motion as amended, instead of the motion and the two amendments.

The amendment I had the privilege of presenting, combined with the amendment introduced by the leader of the C.C.F. party, reads as follows:

> We respectfully submit to Your Excellency that Your Excellency's advisers have:
>
> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers; and
>
> (2) failed to take steps to inaugurate an over-all social security program including national health insurance and the removal of the means test from the old age pension, and

(3) deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act on the flour-milling industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government; and

(4) failed to take adequate measures to protect civil liberties and at the same time to curb espionage and other harmful activities of communists and fascists in Canada.

That is the motion as amended. The subamendment changes my amendment only to the extent that it substitutes for the words "a national contributory system of old age pensions without a means test" the broader expression "an over-all social security program including national health insurance and the removal of the means test from the old age pension." It also adds in the fourth paragraph the words "to protect civil liberties and at the same time", and the addition of the further words "and fascists".

I may say, Mr. Speaker, that it is the intention of the party I lead to support the motion as amended by the subamendment. It says substantially the same thing. The variations, I am pleased to say, widen the original amendment, and we accept the advantage of that wider interpretation. As for the exact words included in paragraph 4, I might say that the over-all effect is entirely consistent with the view we have expressed on other occasions, and we therefore are happy to accept it in that form.

I propose now to deal with points that have been raised by the amendment, with the subamendment. I shall not deal with the paragraphs in the order in which they appear, and shall proceed in this way simply for the purpose of convenience.

Let me first deal with the paragraph which, as amended, reads that the government has—

—failed to take adequate steps to inaugurate an over-all social security program including national health insurance and the removal of the means test from the old age pension.

We have advocated, both in the house and outside, the adoption by the government of an over-all security program including national health insurance and removal of the means test from the old age pension. That was our proposal in the house last year before the election; it was our proposal during the election, and it has been our proposal since that time. We have urged, and urge now, that the government take action to deal with it.

I realize there is a motion still under debate before the house which presents an opportunity for discussion of one aspect of this paragraph. That, of course, is the motion of the Minister of National Health and Welfare (Mr. Martin) to refer to a committee the consideration of old age pensions. But the very fact that that motion is before the house is a reason why this particular part of the amendment should be adopted. If one thing has happened more than anything else as a result of the motion introduced by the Minister of National Health and Welfare it is the exposure in all its naked reality of the sham that has been behind the propaganda that has been carried on now for several years in regard to the responsibility of some provinces for holding up social security of various kinds. How many times have the people of this country heard over the radio, how many times have the members of this house been told, that if it had not been for certain of the provinces the people of Canada would have had old age pensions without a means test and social security generally, and that that was the only reason. They heard it during the last election campaign, and now we know, from the motion introduced by the Minister of National Health and Welfare, that there was never anything behind that allegation.

Now that the government are here with this enormous majority, which in its study groups has obviously been well trained to applaud at the appropriate moment no matter what may be before the house, they have the means of dealing with every one of the things they said they were ready to deal with. But instead of dealing with them, they refer them to a committee.

Last night in the course of another debate the Minister of National Health and Welfare said: "You are opposing it"—referring to his proposal for a committee on old age security. He was suggesting that it was inconsistent to urge that some subject be referred to a committee for investigation so that the facts could be obtained, while at the same time opposing a motion that was simply for the purpose of stalling action on a very important undertaking of this government which has received the support of every hon. member on this side, whether supporting the government or not.

This is simply evidence of the fact that the government is trying to find a way of stalling on their promises, of not carrying out their undertaking—it was an undertaking—to abolish the means test. That undertaking was not first given in 1949; it was given in 1945. The explicit undertaking appeared in the advertisements of the Liberal party in their election material during that campaign. Since then they have left no doubt about it. They say now: We do not know; we have not the facts, and it will cost a lot of money. Of course it will, but I want to make it quite clear that in supporting the motion, as amended, which is now before us, we do so

with the understanding that we adhere to the policy we have advocated of establishing an over-all social security program on a contributory basis. The astronomical figures that have been put before the house in most cases deal with this matter as if the contributory factor was to be ignored. I have noticed a number of sincere comments by writers in various publications pointing out that we must remember that two plus two still does equal four, and that the government must be cautious in implementing any program that would add to the extremely heavy debt burden of this country. They point out that it would create a tremendous burden if everyone at the age of sixty-five years received a pension of this kind. But if it is sound for an insurance company to provide pensions to people on an actuarial basis, it is equally sound for this government, in co-operation with the provincial governments, to provide a contributory system on a sound basis. It can be done.

First of all, we simply take the figures of the contributions by the dominion government from the public treasury, and subtract therefrom the additional revenue that accrues to the treasury from a contributory scheme; this will give the net result upon which it can be determined whether this country can or cannot meet such an obligation. There is something here more than dollars and cents. We all know that there are a great many people who are not applying for old age pensions because they are too proud to do so. There are others who will not submit to the humiliation of the proceedings involved, and who carry on under extreme difficulties with the assistance of those they can find to help them.

Every one of us knows that the system as it now stands places a premium on the spending of everything that a person has up to the age at which he would be entitled to a pension. We say: If you have been provident, if you have saved money, under the law as it stands you must deduct your savings before you are entitled to a pension. The net result is that the person who has put something aside for his old age finds himself in no better position in some cases than the person who has spent everything, perhaps because of ill health or accident or unavoidable circumstances, and has nothing left to take care of himself.

In the net result, knowing the heart and spirit of the people of Canada, we can be sure they will not permit older people to be hungry, to be without clothing or without shelter, if they can avoid it. Therefore the money that is needed to take care of them must come from somewhere. It is infinitely better that as a matter of right every person reaching the age at which it is deemed appropriate that payments should be received, should receive them, those who have saved should not be penalized, nor should there be the evasions which we know perfectly well the present system invites.

If the government have not the figures, then the government were perpetrating a tremendous fraud on the provincial governments in 1945, because in that year the dominion government presented to the conference a detailed statement of what they were prepared to do. Either they were prepared to do that, or they were not. If they were prepared in 1945 they should be equally prepared now to carry out what they said at that time was the proper way of caring for the older people and others requiring social security in this country.

Mr. Knowles: They counted on the provinces refusing to agree.

Mr. Drew: That is something that might very well be dealt with right now. The question whether any province entered into financial arrangements with the dominion government has nothing whatever to do with the fulfilment of those undertakings.

Mr. Howe: Some of us were there.

Mr. Drew: Either your memory is as bad in this case as it was in others, or you know perfectly well that the conference adjourned with the undertaking that it would meet again to consider the proposals then before it. The minister who has just spoken, and the Prime Minister, who is sitting beside him—the Prime Minister particularly—know perfectly well that the different provincial governments, including the governments of Ontario and Quebec, about which they have had a great deal to say, have asked on numerous occasions that that conference be reconvened for the purpose of considering these very things. The Prime Minister should be the last to deny that, because in his capacity as acting prime minister he received those communications direct on certain occasions.

Mr. St. Laurent: Inasmuch as I am challenged, I must deny the statement as the hon. member has put it. There were no applications from Quebec, and as a matter of fact I happen to know that the government of Quebec stated at that time that they would not under any circumstances agree to the constitutional amendment that would be required to tie contributions to social welfare services.

Mr. Drew: I am quite sure that the premier of Quebec will be able to deal adequately with this subject, as he has on every occasion on which the Prime Minister of Canada has

sought to take him to task. But I can say definitely that during the period to which I have reference the present Prime Minister received communications from me, as from other premiers, urging the immediate reconvening of the conference for the general purpose of discussing these very subjects. The fact that there was no conference is not the responsibility of those who have been challenged in this respect.

I have dealt with the paragraph on social security, and I now pass on to another, because, as I have pointed out, the whole question of social security, so far as it relates to old age pensions, will be dealt with on the other motion. Let me speak about the third paragraph, which states that the government deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act.

Some hon. Members: Oh, oh.

An hon. Member: That was a long time ago.

Mr. Drew: Yes, Mr. Speaker, it is a very long time, and I might remind hon. members that there is no statute of limitations in Canada on the commission of crime. I would also remind hon. members that this is the first occasion on which members of the house have had the opportunity to deal with this subject on a direct motion. I suggest to hon. members who will be voting on the amendment that every one of them who votes against it will thereby declare his approval of the government's breach of one of the laws of this parliament. The amendment presents an opportunity to say exactly what is thought of that.

I should like to refer to the fact that we had the opportunity of listening to a speech by the Minister of Agriculture (Mr. Gardiner) in which he expressed solicitous concern about the Conservative party.

Mr. Gauthier (Portneuf): Someone has to.

Mr. Drew: If the Conservative party required any advice, the last person to whom we would go would be the Minister of Agriculture. In his speech to the house the Minister of Agriculture read a radio address he made last spring which had nothing in the world to do with the matters before the house, and was just a cheap political tub-thumping speech.

Mr. Sinclair: Like yours; you are an expert on that. We will take your judgment.

Mr. Drew: I repeat, just a cheap political tub-thumping speech.

Mr. Sinclair: You are an expert on that.

[Mr. Drew.]

Mr. Drew: He placed on the record the statements he made at that time which confirmed everything that had been said by way of criticism of his constant inaccuracies; and even though he wanders out into the passageway in front of the seats so that he gets more movement for his legs, it does not for one moment carry any more conviction because he seeks to make of the House of Commons a political platform for things that are now many months old.

There are one or two matters I should like to recall. The Minister of Agriculture, in his deep and heartfelt concern about the welfare of the Conservative party, referred to the things that they should have done. He has demonstrated to us a number of things that no party with self-respect would have done, but he made one or two observations about the Conservative party which bear repetition. It was the old propaganda, without any relation whatsoever to the truth. I am referring of course to the speech he made outside of this house. In it he used the old hackneyed phrases, and then there is this particularly interesting sentence:

> They—

That is, the Conservative party.

> —do not seem to think there is any possibility of any person or corporation when given an absolutely free hand taking more out of the primary producer or labour—

You will realize, Mr. Speaker, that my attention was fixed on the page from which I was reading, and for a moment, hearing the applause that greeted the entry into the chamber of the Minister of Labour (Mr. Mitchell), I thought that the millennium had come and that the conscience of the Liberal members of the house had been aroused to the point of actually recognizing the issues before us on the amendment. But as I looked up I realized the reason for the applause, and I assure the Minister of Labour that if I had been sitting in my seat I would have joined as heartily as anyone else in the applause. I wish to express the great satisfaction we all feel on seeing the Minister of Labour again in the house, looking as well as he does. No matter how widely our views may differ from time to time—and, strangely enough, our views differ less from those of the Minister of Labour than from those of any other minister—I know there is not one on this side of the house, and without presuming I know my remarks extend beyond the party to which I belong, who does not have warm personal regard for the Minister of Labour.

I shall now quote the sentence which I was reading when I was most properly interrupted by the applause to welcome the Minister of Labour. Since some time has passed, I should like to remind hon. members that I am

quoting from a speech of the Minister of Agriculture, made outside of the house, which was placed on the record by him. Whatever mistakes the Minister of Labour makes, I know he would not have made this speech.

This is the sentence:

> They do not seem to think there is any possibility of any person or corporation when given an absolutely free hand taking more out of the primary producer or labour than he is entitled to by retaining too much profit.

Is that not typical? Is that not the old hackneyed propaganda that has been repeated over and over again? And mind you, Mr. Speaker, that speech was made by a member of the government which had been hiding the report on the milling combine and making certain that improper profits could be kept, and that it would not be exposed to the public. If there is any party which by its acts has demonstrated that it is hand in glove with big interests with a capital "B", it is the party which has seen fit to say to one group of manufacturers: We are so virtuous we will prosecute you; but, to a very much larger group dealing with the main primary product of this country: Oh, no; we dare not touch you. If anyone wonders just why that should be so, let him see who are the men in charge of some of these companies; then he will not have to guess very long as to why there was such consideration.

Mr. Howe: Name them.

Mr. Drew: You probably spoke to one today. This particular statement, however, was in keeping with the very sound principle that the best defence is offence; and the Minister of Agriculture was just as offensive as possible—I mean in the sense of carrying forward an offence.

Then we come to this question of the breach of law. Of the many explanations which have been given for failure to act upon that report, none more clearly emphasizes the real situation than the statement of the government that they could not conveniently have done it within the fifteen days, and then of course the added statement of the Prime Minister that once they had broken the law, well, they might just as well leave it where it was. This is not something to be brushed aside lightly, because the inquiry in question dealt with the basic commodity of this country, the basic food requirement; it dealt with the price of the daily bread of our people. If there is one case in which the government should be most scrupulous in preventing abuses and seeing to it that no one made more profit than he should, it would be in a case affecting the daily food requirements of all the people of Canada. And of course this was done at the expense of the farmers, through a combine which fixed prices at both the purchasing and the selling end.

The explanations given just do not hold water. In none of them is an apology or excuse offered. The suggestion that the government would have looked cheap, as the Minister of Justice (Mr. Garson) said, if they had prosecuted; or on the other hand the statement that the government would have broken faith if they had gone ahead, seem completely to ignore the fact that it was within the power of the government at all times to pass an order in council expressly approving this procedure, if in fact it was approved. If they believed it to be the right course, that is what should have been done. They did not do it.

Then we had in this case something that does not appear in the other cases under consideration, in which the government has prosecuted; that is, a double set of books. Why? Because someone was doing an exercise in writing? Because someone felt it would be more convenient? No. There is not a single member of this house who does not know perfectly well why a double set of books is kept.

An hon. Member: Why?

Mr. Drew: I had not thought a single member of this house would have to ask that question. I feel sure the hon. member who has asked it has not read the report; otherwise he would see that the second entries omitted those things which clearly established the record of an agreement as to restraint of trading arrangements. The record is quite clear.

I am still waiting for comment by the Minister of Justice on the fact that there is a section of the Criminal Code which provides a penalty of up to seven years' imprisonment for anyone who keeps a false set of records of any company. Either Mr. McGregor was seeing things, and his report has no foundation in fact, or that aspect of this report should have been examined; because that would not be subject to any limitation; it could be dealt with at any time. That particular matter is something which might well be examined if the government really is so much concerned about that report. At least they had sufficient confidence in Mr. McGregor to accept and act upon his reports in two other cases. It does seem strangely inconsistent that on the one hand they should ignore these findings, and on the other hand act upon the findings of the very same man. This motion embraces that subject, and it is something that will be dealt with by the votes on the amendment and the subamendment.

The fourth paragraph states that the government failed to take adequate measures to protect civil liberties and at the same time curb espionage and other harmful activities. I am not going to deal with the question of the protection of civil liberties, because there is on the order paper a motion setting out in explicit detail the scope of an appropriate measure to assure civil liberties in this country, which I hope will be dealt with in due course. However, I am going to deal with the fact that as yet no steps have been taken to provide a procedure by which effective action can be taken against those who are comprising or otherwise carrying on activities for the purpose of overthrowing our free democratic system. May I emphasize that I have never advocated that there should be in the Criminal Code a provision dealing with communism, or other similar subversive activities, simply by use of the word "communist", because that single word is not adequate. The first thing you are confronted with is a definition of a communist. It was not Lenin who invented the term "communist"; that term has been used for centuries. As a matter of fact, as many hon. members will recall, there is a definition of a communist in the *Corn Law Rhymes* published nearly one hundred and twenty years ago in Britain and it goes like this:

> What is a communist? One who has yearnings for equal division of unequal earnings. Idler or bungler or both, he is willing to give you his penny and pocket your shilling.

That of course is a definition that refers to an earlier concept of communism. The communists as we know them today are men and women who have identified themselves with a world-wide form of tyranny which, here in Canada as elsewhere, they are seeking to impose. In accepting the subamendment which widens our original amendment, I want to make it clear that we are equally opposed to members of any group who seek to undermine and destroy our free democratic system, no matter what their name may be. That observation gains added strength when again, just as in the years before the war, so many false-front organizations are appearing, such as those leagues for peace and other organizations of that kind, which are simply communist false fronts trying to undermine the fibre of our people here in this country and elsewhere.

It is about a year ago now since I advocated in this house that there should be an amendment to the Criminal Code that would make it a criminal offence, punishable through ordinary judicial proceedings in our courts, if men or women, individually or otherwise, carried on activities designed to destroy our system. Hon. members who were here last spring will recall that we were informed at that time that the government had this subject under consideration. We have not heard anything about it since, and this motion is an expression of our positive regret that the government has taken no action to deal with those cases which definitely cannot be dealt with effectively under the Criminal Code as it stands at the present time.

I have said that section 98 of the Criminal Code, which was repealed some years ago, did not mention communists nor any other group by name. It referred to action designed to overthrow the state by force. In this house and outside of it I have advocated that, to replace section 98, there should be a section of the Criminal Code drafted in a way that will avoid any of the objections that were taken to the phraseology of section 98 but clearly stating, in terms that cannot be misunderstood and which fully respect our fundamental principles of freedom, that those who seek to destroy our system shall not go free to continue that treachery within our country.

I am convinced, Mr. Speaker, that we shall not have action until the members of this house indicate their views; and this motion as it stands provides the members of this house with the opportunity to indicate their belief that action should be taken to deal with subversive activities of this type, no matter what the name may be.

I come now to the first paragraph of this amendment, and this has not been changed in any word by the subamendment, which reads that the government have

> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers;

We had certain statements by the Minister of Agriculture (Mr. Gardiner) in regard to that matter as well. As hon. members will recall, the Minister of Agriculture told us, with a great deal of emphasis, that there was no reason for any concern about exports; he said you could put them all down in three words, and to each of them you could add a few million pounds, and then there would not be anything left. Then listen to this sentence, as reported at page 576 of *Hansard*:

> And all these surpluses, a little bit of cheese, a little bit of butter and some honey.

Those are our surpluses, according to the Minister of Agriculture: a little bit of cheese, a little bit of butter and some honey. Those were the surpluses that were causing the Minister of Fisheries (Mr. Mayhew) so much concern only two days ago. He has not been convinced by the Minister of Agriculture. He

seems to hold a different view as to the importance of these surpluses. Obviously he does not think there is just a little bit of cheese, a little bit of butter and some honey. Oh, no; it goes far beyond that, and he wants positive action taken in that respect.

It is really wonderful, Mr. Speaker, to see the satisfaction of the members of this government in their omniscience. It is really wonderful to note the mutual sense of confidence expressed. It is really wonderful to note the modesty with which they describe their own limitless abilities. On May 9 last year the Prime Minister (Mr. St. Laurent) had this modest comment to make about his colleagues, and I quote his words:

> Just ask yourselves how many men of similar ability all other political parties combined can produce.

Just look at them!

Mr. Howe: The people had a look at them not many months ago.

Mr. Drew: I shall have something to say about that matter in a minute. But you have the minister of a little bit of cheese, a little bit of butter and some honey; and then you have the Minister of Fisheries who seems to have quite a different point of view. This self-adulation is a wonderful thing.

An hon. Member: You are an expert.

Mr. Drew: I wish the hon. member who has just interjected such a typical remark would read the publication called *The Canadian Liberal*, which was issued just a couple of days ago. It indicates how long this debate has been going on. This is typical—I will not use the word I was going to use—propaganda already appearing in the hands of the people to whom it is circulated while the debate is still on. It is headed "The ABC's of Mr. St. Laurent's speech in the House of Commons February 20, 1950." And this is indeed a reference back to something that is still related to this debate.

Mr. Stewart (Yorkton): Table it.

Mr. Drew: No, no; there will be enough useless things tabled in this house without tabling this document. This, however, does refer to a number of things. Here is one of the headings: "An Analysis of Pre-election Arguments on Devaluation and Convertibility 'Nonsense'." I am quoting from this pamphlet:

> Mr. St. Laurent pointed out that devaluation was suggested at a time when the Chancellor of the Exchequer of the United Kingdom was declaring that sterling was not going to be devalued.

And so he went on to explain, of course, that a very different situation existed then. I was not aware that we were in the sterling area. I thought we were a dollar country. I did not know that the Chancellor of the Exchequer decided what our policy was. This statement simply amounts to a statement that it was not the Minister of Finance who devalued the dollar, but that it was the pound which devalued the Minister of Finance. That is what it amounts to; because it simply means that because the pound was devalued we had to forget that we were a dollar country and devalue. If devaluation was sound in September, it was sounder still at a time when it would have given us very real advantages in the world's markets.

Then we come to another part of this interesting pamphlet:

> The words "truth, confidence and trust" should be used with care.

Mr. Ross (Souris): Which minister put that in?

Mr. Drew: This is not a minister; this is a heading put in by the Liberal magazine. You will recall on that occasion, which seems so long ago, the minister, coming back from his afternoon's speech, obviously refreshed by dinner, came back and said that he had some quotations he would like to give to the house; and he referred to certain statements I had made outside. He referred to the fact that in Quebec I had used these words, and he quoted them:

> The basic word in that system is truth. In the end it will be the people who will decide, and they will turn invariably to the party which they have come to trust and rely on.

These are the words attributed to the Prime Minister, and I think he will agree that they are correctly quoted from *Hansard*:

> And that is what they did; and that is no doubt what impressed itself upon the hon. gentleman and moved him to make that declaration.

What the members of this house are interested in, Mr. Speaker, is not a refighting of that election, but the principles of democracy that are governing, and that were stated in this house—

An hon. Member: No interest.

Mr. Drew: The hon. member says "no interest". It is time that hon. members did have an interest in the principles of democracy, and that is the purpose of the motion that is now before this house. It may be a vain hope, but I repeat my earlier statement. It would be one of the most refreshing things that ever happened in Canada if the Liberal members in this parliament supported this motion as a proof that they did believe in these basic principles of democracy.

The measure of self-satisfaction that has developed is really touching. You will recall, Mr. Speaker, certain words spoken in the debate last night, that a statement that had been made was very palatable. Well, sir, some of these things become very palatable to the

government. For instance, I noticed in the press yesterday that the Prime Minister is to speak in a debate on March 27 at Hart House. I think that is an excellent thing because those debating groups in the universities are splendid groups; but listen to the resolution to which he is to speak:

> Resolved, that there is no effective national alternative to the Liberal party.

Some hon. Members: Hear, hear.

Mr. Garson: Why bring this up?

Mr. Drew: "After us the deluge." You remember what happened to the one who said that, or I hope you do. Listen to the applause on the desks, at this senseless statement, that there is only one party in Canada; that we have reached the point of one-party government. If that becomes accepted in this house, Mr. Speaker, then this senseless cacophony of desk-pounding may be the death rattle of a free parliament. Oh, yes, laugh and pour out the propaganda; laugh and make the government information services tell the public of the wonders of this government; make them tell the people of Canada, at public expense, that there is no effective national alternative to the Liberal party.

If there were one reason, Mr. Speaker, why every man who believes in our system of parliamentary responsibility and balanced authority in this country should vote for our amendment it would be an arrogant statement of the kind to which the Prime Minister of Canada is to speak and which he is to support.

Mr. Brown (Essex West): Watch your blood pressure.

Mr. Drew: I must confess that I did not think that even the dullest wit would have thought that I was speaking in support of such a proposition, but, you know, there is a good deal more behind this self-satisfaction—

Mr. Brown (Essex West): You bet.

Mr. Drew: —and this noise like a group of trained seals that we hear so often! Mr. Speaker, you will recall the applause that came with each of those perorations which kept repeating themselves in the speech of the Minister of Agriculture the other day. He repudiated with so much emphasis, if not with any sound facts, the suggestion that he had contended that trade was perfectly secure. Just let me recall a few of the statements he made. On May 12, he said:

> We could sell much more of most farm products if we had them in surplus supply.

Some hon. Members: Hear, hear.

Mr. Drew: It has not got into somebody's head yet what the situation is. I do wish they would study it and have a chat with the Minister of Fisheries.

Mr. Rowe: Hear, hear. Evidently he is the only one who has heard about it.

Mr. Drew: The Minister of Fisheries at least has this advantage over most of the hon. members who are applauding on the other side. He says quite frankly that he has been thinking, and that seems to be unique on the government benches; and that is a very commendable statement in relation to the things that he has said. The Minister of Fisheries (Mr. Mayhew) was thinking on the way home. Today—

Mr. Garson: Try it some time; it is a good idea.

Mr. Drew: Oh, it is a wonderful thing to do sometimes, isn't it? If the Minister of Justice had just thought, as he says himself, he would not have been in the trouble in which he was. He is not going to take a chance on that again. He will think it over more carefully next time before he suppresses any report.

Mr. Rowe: It will take him thirty days instead of fifteen.

Mr. Drew: Then, let us see what the Minister of Agriculture (Mr. Gardiner) has to say about the question of surpluses. He said this on May 18:

> "I wish to reiterate what I have said on several occasions recently with respect to the foolish claim by the opposition that we are losing our markets," Mr. Gardiner said. "We have no surplus of any staple farm product. We are exporting all we have available for export. Since we have no surpluses to export beyond what we are exporting it is foolish to say we are losing our markets."

And then, speech after speech saying the same thing—that they were not losing the British contracts and that they were not losing markets. Yet we know now from the statement of the Minister of Agriculture himself, first in the house, and then outside the house, that we are losing British markets, and we are losing them very very seriously. And yet we have just a little cheese, a little butter and some honey!—that is all.

Mr. Knowles: And a little baloney.

Mr. Drew: Now, just let us see what the Minister of Fisheries (Mr. Mayhew) has to say about this. The Minister of Fisheries went to Colombo. I must say the frankness of his speech the day before yesterday is an indication of the value of travel. But the Minister of Fisheries thought on the way back, and thought after he got home. Then he prepared a speech, and he read the prepared speech in the House of Commons. That, of course, is an indulgence extended to ministers—not of course to anybody else.

Some hon. Members: Oh, oh.

Mr. Drew: But the speech was reported, and there was only one amendment he suggested. That was the introduction of a comma to break a sentence. But it did not damage the effect in any way.

I think it would be interesting to re-read exactly what he said, according to the statement as amended. This is after his analysis of the difficulties connected with export trade. I quote as follows from *Hansard* at page 688:

As the idea of the joint stock company developed originally to handle foreign trade in days when international financing was impossible, perhaps it can now be extended. Instead of using the concept only on a company basis, it might be extended to an inter-company basis. We might consider therefore the establishment of a national export-import corporation, beginning its use with countries that now take few Canadian goods. We should recognize that this may be more possible in Canada than in almost any other country, because so large a part of our trade now is concentrated in only a few firms. Likewise, large parts of the primary surpluses may soon be owned by government.

It seems possible, therefore, to work out in Canada a combination between the very large groups of manufacturers and wholesalers—

Comma—deleted—comma—

—and the government to provide both the management and the finance to operate bilateral deals and to overcome the lack of facilities that faces any single corporation. Such a body could barter parcels of mixed Canadian merchandise for mixed imports from the non-dollar countries, and such merchandise could of course include capital equipment as well as foodstuffs or raw material.

This instrument might be used experimentally as an additional means of meeting the surplus-unemployment problems.

That last expression is a very good one—"surplus-unemployment problems". The Minister of Fisheries is in no doubt as to the situation. It is not just a little butter and a little honey with him—and a little cheese.

An hon. Member: And a little—

Mr. Drew: Oh no, don't extend it. Just a little cheese, a little butter and a little honey! That is all.

But the Minister of Fisheries has been thinking, and he says:

Large parts of the primary surpluses may soon be owned by government.

He must be imagining that. I do hope the Minister of Agriculture will straighten him out before long. But my impression is that the Minister of Fisheries, who is a sound businessman, and who has learned from experience something about the necessity to all trade of facing realities, will stick to his guns and insist that there is a surplus which must be recognized, and that that surplus is causing unemployment, no matter what anybody else may say.

An hon. Member: Time.

An hon. Member: Carry on.

Mr. Speaker: Order.

Mr. Drew: Now, Mr. Speaker, undoubtedly the Minister of Fisheries regards this as so serious that he is prepared to reach out and try to find some solution. Everyone, I am sure, will give him credit for the sincerity of purpose with which he drafted this strange proposition. But it is difficult to quite agree with the Minister of Fisheries when he gives as one of the reasons for this over-all national corporation the one that "our trade now is concentrated in only a few firms."

I wonder if he is aware of the fact that the Canadian Exporters Association, which does not by any manner of means include all the exporters, has over seven hundred members. That is not just a few firms; and those seven hundred members of the Canadian Exporters Association share his concern about the export markets. They have been warning this government, not just in the last few months, but for a long time, of the dangers of disregarding what has actually taken place.

Then, when they come to this little pamphlet, which I am sure all Liberal members received, "The ABC's of Mr. St. Laurent's speech," they will find of course this suggestion, that there is no occasion to worry ourselves about any of these things. "Let us not harm ourselves with fear." It is a wonderful thing! The ostrich follows that principle when it sticks its head in the sand. Let us not harm ourselves by destructive fear; but also let us not disregard the necessity for action by hiding our heads in the sand and failing to see that unemployment in this country is a very real thing. Unemployment is a real thing and that fact cannot be brushed aside by the statement that it is merely a seasonal situation resulting from the rather unusual seasonal conditions in certain parts of the country.

The figures of unemployment which have been given—the last official figure was 384,000—do not measure the actual unemployment in Canada. That figure represents the number of applications at the dominion employment service offices in this country. There is not a single hon. member of this house who knows anything of the type of applications made there who does not know that there are many small communities far from offices of that kind in which are located unemployed persons who do not apply. There are a lot of farm boys and others who do not make application but who go around to look for work. Those people are not included in the 384,000 which, as I say, represents simply the total number of applications received at the offices of the dominion employment service.

No one in this country, no red-blooded Canadian, wants to talk of anything that would in itself injure the future development of this country, but no sane Canadian will ignore reality and no decent Canadian will ignore the human agony involved in those figures. Those figures do not relate only to those covered by unemployment insurance, no matter what we may think of the adequacy of unemployment insurance. There are many men who are not covered and there are many whose term of unemployment insurance has expired. Tonight there will be men sleeping in boxcars, sleeping in railway stations, sleeping in church missions in various parts of this country, and it is the duty of the members of this parliament to recognize that human factor and to take some action to deal with it.

I think hon. members for a moment might just pay a little attention to this subject. I hope a great deal more will be paid to it.

Mr. Lesage: We are paying more attention, but we are not shouting about it.

Mr. Drew: You are not shouting about it, you are just sending out propaganda instead of doing something to help these people who are unemployed.

Mr. Lesage: You are—

Some hon. Members: Sit down.

Some hon. Members: Quack, quack.

Mr. Pouliot: Quack, quack.

Mr. Drew: That reminds me of the old song, "A quack quack here and a quack quack there, here a quack, there a quack, everywhere a quack, quack," because it seems to be coming from different parts of the house. No one wants to let his partisan point of view obscure the realities of this situation. Very clear statements have been made by this government as to what it would do to deal with a situation of this kind if it arose. All that it is necessary to do is to go to the library where you can get those light green books which are becoming more bilious with time and find out what was said by the government in 1945.

There is no occasion to embark upon any plan that would impose a burden upon the public treasury. Those who suggest that we must be careful with our money are very wise. They are very wise to point out that this government should be much more careful with money than it is. There are ways and means of carrying out these undertakings without using the current revenues of the country. Every hon. member knows of a number of things that could be done to create employment immediately and to provide the promise of much wider and greater employment in the years ahead.

Right across Canada there are power developments waiting to be undertaken. Right across Canada there are great drainage and reclamation projects waiting to be started. Right across Canada there are great irrigation schemes waiting to be commenced. All these things can be done on a sound business basis without using one cent of the annual revenue of this country. Do not let anyone suggest that any magic is being attempted. This is perhaps one of the few grounds of disagreement I have been able to find with my friends of the Social Credit party. I do not believe that this involves the application of any principles other than those which we have adhered to. There are a number of hydroelectric and other commissions in this country which are examples of what can be done on a cost basis by using public investment in securities issued under organizations created by governments within this country.

I would point out that it was a Conservative government in Ontario that developed the greatest publicly owned hydroelectric enterprise in the Dominion of Canada—I might say in the world. Certainly we believe in public ownership. Who created the Canadian National Railways? Was it the Liberals? No. Who created the C.B.C.? Was it the Liberals? No.

An hon. Member: Certainly not.

Mr. Drew: Certainly not. They believe in private monopoly.

Some hon. Members: Hear, hear.

Mr. Drew: The position I am expressing is entirely consistent with the long history of the party to which I belong. That applies to those enterprises which are not competitive and which do not by themselves gain advantage from the ordinary application of the principle of personal initiative applied to the job in hand. I am not talking now of the workers on the job, I am talking about the over-all project.

That principle can be applied to the wider field and these things could be undertaken. There is no place in Canada where they could be undertaken more effectively than in the new province of Newfoundland, with its vast power resources and other opportunities. These are some of the things that can be done. Much should be done at this time to meet the immediate situation and to lay a foundation for the future.

The Minister of Fisheries (Mr. Mayhew) has given us two sound and accurate statements. One is that we have a surplus-unemployment problem. I think that is a good summing up in three words. He said also that large parts of the surpluses may soon be owned by the government. He tried

to find a way out of the difficulty, but unfortunately the way he seeks is not one that should appeal to hon. members of this house. He was suggesting a national organization under the direction of and financed by the government. Those are his words. There is no modification of that.

Mr. Mayhew: I beg your pardon, but that is not my statement, and I endeavoured to correct it. My whole proposal was to the effect that those who are interested in exports should form a company. The government's only interest would be in supplying the help that they could supply to the corporation through their corps of trade commissioners in various countries.

Mr. Drew: That is not what the minister said. I hope this is not an indication that the minister did not write the speech. I hope it is his own speech.

Mr. Mayhew: It is my own speech and my own ideas from beginning to end. I am not taking anything back, but I did make a mistake in reading. The mistake was made in the converting of my notes by my secretary to the statement that I read in the house.

Mr. Drew: It has been amended since.

Mr. Mayhew: It has been amended since.

Mr. Drew: I will read the statement:

> . . . the government to provide both the management and the finance to operate bilateral deals and to overcome the lack of facilities that faces any single corporation.

Is that not clear?

Mr. Mayhew: No, that is not right. The corporation, composed of businessmen, would supply the management and the money.

An hon. Member: Time.

Mr. Rowe: You do not want to hear the rest of it. You had better have another cabinet meeting and get together.

Mr. Drew: Let me read exactly what the minister said yesterday.

An hon. Member: Time.

Mr. Drew: You know, Mr. Speaker, I am not going to object to these interruptions because they simply demonstrate how little sense of reality some members have when we are dealing with as important a subject as this. Yesterday the minister said:

> The correction I wish to make is in the third paragraph, which reads as follows:
>
> ". . . a combination between the very large groups of manufacturers and wholesalers and the government to provide."

Then the minister said:

> The words "and the government" should be omitted, and after the word "corporation" at the end of the sentence the following should be added:
>
> "The government, through the corps of trade commissioners, could furnish valuable assistance."

That is the amendment. The minister has not changed by one word the statement reading:

> . . . the government to provide both the management and the finance to operate bilateral deals and to overcome the lack of facilities that faces any single corporation.

He has not changed a word. That is what he said and it is what he still says after his amendment yesterday. That is perfectly clear. There is no reason why the minister should back away from it. I have commended the minister for using some thought and for the fact that he had the originality to deal with the matter, but surely we can take his amendment of yesterday. I trust we are not going to have a new amendment every day. The statement he made yesterday is perfectly clear. It still leaves it with the government directing and financing, and with manufacturers and corporations coming into the picture. Obviously the minister did not want a Russian Amtorg.

Mr. Mayhew: What?

Mr. Drew: Amtorg. Have you not heard of Amtorg? Amtorg is the external trading organization of the communist government. It is their trading corporation. I thought the minister probably knew about Amtorg, and that he was trying to avoid any suggestion of that. Instead of Amtorg, which is an integration with publicly owned enterprises, he wants an organization directed and financed by the government into whose pool of operations will come the products of the manufacturers. I concede that is not similar to Amtorg.

Mr. Mayhew: I do not want anything of the kind.

Mr. Drew: That is what I said.

Mr. Mayhew: What I want is for the businessmen of Canada to realize that they have a responsibility for merchandising what they have manufactured. I want them to realize that among themselves they can create a national import-export company, finance it and furnish the management for it. The government would do its share in facilitating the trade they would carry on by means of the government's corps of trade commissioners.

Mr. Drew: Mr. Speaker, that is not what the minister said either the day before yesterday or yesterday.

Mr. St. Laurent: Oh yes, it is. If you will just read it carefully you will see that it is. You should refer to page 688 of *Hansard*,

take out the words "and the government" which the minister suggests should be taken out of that sentence, and then add after the word "corporation" at the end of the sentence the words that the Minister of Fisheries (Mr. Mayhew) stated yesterday. Then you have the statement as he says he intended it.

Mr. Drew: All I can say to the Prime Minister (Mr. St. Laurent) is that if that is the situation, if the national corporation is simply a corporation to be created by the ordinary trading companies of this country, then it is most difficult to understand exactly what the Minister of Fisheries was suggesting, because in co-operation with the government there is already the dollar-pound import-export board which is doing precisely what is suggested if what the minister now says is really what he intended. It would have no other meaning.

Mr. St. Laurent: I am not dealing with the merits. I am merely pointing out that what the minister said yesterday is exactly the same thing as he is saying today.

Mr. Drew: Mr. Speaker, I must and do accept the statement as to what is now intended, and we will let it go at that. After all, however, I still come back to words that have not been amended in any way. In his speech the minister said at page 688 of *Hansard*:

> This instrument might be used experimentally as an additional means of meeting the surplus-unemployment problems.

Then he goes on to deal with an earlier statement reading:

> . . . large parts of the primary surpluses may soon be owned by government.

He is seeking a way to get rid of those surpluses. How are private corporations going to deal with that situation? The change the minister has made in his remarks is a change that has been prompted by subsequent thought or discussion because his new proposal is meaningless in relation to his own statement that what he is trying to do is to seek a solution for the situation involved in the fact that these surpluses are going to be owned by the government, and he wants to get rid of them. Private dealers are not going to get rid of government surpluses. That is clear. What actually is suggested here is a device by which the country sets up a trading organization to deal with these various things.

One of the things that make it so difficult to deal with subjects of this kind is the statement by the minister that this is his own idea. He says that it might be a surprise to other members. Doubtless it was.

Mr. Rowe: Evidently nobody else wants it.

Mr. Drew: In his speech the minister said further:

> This last part is purely my own, but it is the result of thinking while away and after coming home. We have to find some way out of this difficulty. If anyone knows of a better way, it is up to him to tell us. I assure the house that I am not speaking in any way for the government in offering this plan. I imagine it is new to the government.

Mr. Mayhew: You certainly have not offered any suggestions today that would be of any help, and you have been talking now for nearly two hours.

Mr. Drew: I regret that the minister is not devoting as much thought to this subject here in the house as he did to the preparation of this speech. He knows perfectly well that several proposals have been put forward. One was that this country get rid of the straitjacket of exchange control and get back to free international trading; that has been stated positively. Another positive idea, and a very real one, was that at the earliest possible moment this government take the initiative in convening a conference of commonwealth nations for the purpose of extending trade within the commonwealth and the world.

Mr. Mayhew: And when I propose that the businessmen who believe in free enterprise should handle their own business, you object and want it to go back and be handled by the government.

Mr. Drew: That is the sort of twisting and quibbling that makes it extremely difficult to deal with any subject in this house.

Some hon. Members: Oh, oh.

Mr. Drew: I say that is the kind of twisting and quibbling that makes it extremely difficult to deal with this or any other subject in the house. The minister knows perfectly well I made no suggestion of that kind, today or at any other time. I repeat; if the statement the minister made is what he now claims it to be, what earthly use is the Canadian dollar-sterling trade board, which has had the full approval of this government? That is what that board is supposed to be doing, under what would be regarded as most competent business leadership in this country. This statement was senseless and meaningless unless it did mean what it originally said; that is, that it was a device to attempt to meet the unemployment problem, and to find a way to get rid of the surpluses in the hands of the government. It is true that it was not the suggestion of an amateur, but it was strangely like the method used by Schacht in Germany before the last war, under which they retained the individual trading by the corporations but placed that

trading under an import-export corporation financed and directed by the government itself.

By all means encourage trade; by all means provide opportunities to do business. But if you do that then let our people really have an opportunity to trade, and get rid of this device which makes it so difficult for the businessmen of this country to go out and sell. During the war and the immediate post-war period the world so badly needed the things we produced that real selling was not necessary. Now our businessmen have to get out and sell. That is exactly what should be done. That is what the dollar-pound board was created for and what it can do if it is given a chance by removal of the shackles of exchange control and getting back to the greatest possible measure of freedom in international trade.

Then we come to another very important matter involved here. The minister says, "This is my own idea." One of the purposes of this motion is to restore our accepted parliamentary system in this country; and under that system a minister cannot come into the house and say, "I am just a little, innocent member of the house. Don't regard me as the Minister of Fisheries. Don't look on me as having any ministerial responsibility. It may be a poor idea, but it is my own." They cannot do that. There are certain principles that govern, and they should be restored for more reasons than just an acceptance of the formality. They are very clearly stated at pages 206 and 207 of "The Government of Canada" by Dawson, an accepted treatise on this subject. At page 206 we find this sentence:

> The members of the cabinet are responsible to one another, and particularly to the prime minister.

Then follow certain observations with respect to that observation, and I quote again:

> It follows that all members of a cabinet must consider the views of one another in making any important announcement or in taking a decision which might be considered as involving government policy; and this leads in practice to prior consultation and discussion in cabinet, or, at least, with the prime minister.

Then there are certain quotations from a letter by Sir Wilfrid Laurier, and otherwise, to illustrate the point, and I come to this further statement:

> The cabinet are above everything else responsible to the House of Commons, not as individuals alone, but collectively as well. This responsibility has been the key to the control of the executive power in Canada as in Britain; the powers of the crown have remained for the most part intact or have even been increased, but the exercise of those powers has come under the cabinet and this body in turn under the general scrutiny of parliament. This is the central fact of parliamentary democracy; for it is this practice which keeps the system both efficient and constantly amenable to popular control.

The reasons for this are of immense importance. First is the fact that the government is collectively responsible to the house; but there is another point. Hon. members here should not be placed in the position of having to ask themselves whether this is just the bright idea of a minister, thought up on a trip to Colombo or some nearer place. It makes debate so uncertain and confusing. Hon. members have a right to know whether or not the government is speaking as a government, so their remarks may be made with that in mind. Unless the minister speaks on behalf of the government as a whole, under the very principle established here, certainly hon. members will never know whether they should ignore or debate any statement he may make. If they ignore it, they know only too well what may happen. Six months later something may be done by order in council; and when objection is taken, the government will say, "Oh, but this was raised in the house and no one said anything about it."

Kite-flying of that kind by ministers of the government is not permitted under our system. That is so for reasons which are too obvious, under our traditional system, to require any amplification. Now, of course, in addition to the ministers we have the parliamentary assistants. We do not know whether that principle extends to them, though if it does it has been disregarded rather broadly, as we may see by the very interesting statements by the hon. member for Middlesex West (Mr. McCubbin) and the hon. member for Winnipeg South (Mr. Mutch).

An hon. Member: What about freedom of speech?

Mr. Drew: I hear an interjection, "freedom of speech". Would it not be a wonderful thing if freedom of speech were exercised in this house by Liberal members to the point where some of them would get up and say in this house the things they are saying outside? Would it not be a wonderful thing if some of the hon. members who attended that study group at which they met Mr. Low—I do not mean the leader of the Social Credit group—took advantage of the freedom of speech in this house to tell us what went on in that discussion on how to arrange contracts for national defence projects? That is freedom of speech that would be a great advantage to hon. members of this house and to the country.

Certainly we should have freedom of speech; but under our parliamentary system there are principles which make orderly discussion of our business possible. On one or two occasions there has been the suggestion that proceedings have been delayed; but if that has been so one reason is this uncertainty as to what ministers have or have not

said. Hon. members will recall the trained-seal performance last night in connection with the statement about jet aircraft. Perhaps hon. members were getting a little bit tired late at night; but if they were not, they will recall that at that time I made a statement, without quotes, that the Minister of National Defence (Mr. Claxton) on his junket out to western Canada had made the statement that the percentage of jet aircraft we were going to have under our plans was the highest of any country. The minister challenged that statement and said that, if that was in the press, it was not so; and you, Mr. Speaker, will remember the desk-thumping and shouting that took place. I did not read the quotation for the simple reason that the statement had been repeated on that junket so often that it did not need to be quoted from any press report by anybody who knew what had been said.

Mr. Howe: It is better to say it when the minister is not in his seat.

Mr. Drew: I am not responsible for the minister being away today, and I am not responsible for the absurd performance last night when the minister denied a statement that he must know perfectly well was quoted in the press. This is what was quoted from the Canadian Press dispatch of January 26. The particular quotation I read is from a speech made in Calgary by the minister as reported in the Windsor *Daily Star,* from a Canadian Press dispatch. This is what the report says:

> Eighty per cent of the money the federal government is spending on aircraft is going toward jet planes,—

And this is a quotation.

> —"a higher percentage than any country we know of,"—

Those are the words of the Minister of National Defence.

Mr. Howe: A higher percentage of expenditure.

Mr. Drew: Oh, yes. The Minister of Trade and Commerce has interjected "percentage of expenditure" as though that qualified it. But, Mr. Speaker, unless the expenditure is resulting in planes, then the situation in regard to contracts is even worse than anybody here has yet suggested.

Mr. Howe: That is a great twist.

Mr. Drew: No, there is no twist there, except by the Minister of Trade and Commerce.

Mr. Howe: Very amusing.

Mr. Drew: I simply mention that matter in order to indicate the way things are evaded until they can be brought right down on to the track by the record itself. This government asks what can be done. First of all, this government can and should invite the member nations of the commonwealth to a conference to discuss ways of opening up trade and then from that point to proceed to a wide examination of trading possibilities within the sterling area.

Mr. Howe: Blast our way in. R. B. Bennett back again.

Mr. Drew: The Minister of Trade and Commerce has said "R. B. Bennett back again." The Minister of Trade and Commerce has apparently not been blasting his way anywhere. He has just been trying to fool the public as to what has actually been done; that is all. What has been said here has not anything to do with the term "blasting a way into markets" or anything else. Never mind what expression you use. Invite the member nations of the commonwealth, as free and equal partners in a great world association, to sit around the table and find ways of dealing with this extremely important problem.

Mr. Howe: They did that two months ago at Colombo.

Mr. Drew: Instead of that, what is happening? On the one hand, the government says that it is encouraging imports to Canada from Britain and it co-operated in the setting up of this board for the purpose of advancing trade. What is the use of that action unless effective steps are taken to transfer from the United States account things that we are importing from the United States and purchase them from Britain? That is the answer to this problem; and that is no offence to our friends in the United States because they know as well as we do that there must be a diminution of our imports from them if we are going to regain the balance in trade with the United States.

Mr. Howe: The hon. member is the first man that ever said that, I suppose.

Mr. Drew: Oh no; not at all. Has the minister been listening to the speeches made by the hon. member for Middlesex West (Mr. McCubbin)?

Mr. Howe: No; but I have made a few myself.

Mr. Drew: The minister should, because they would be helpful.

Mr. Rowe: His were not the same as the minister's either.

Mr. Drew: The government has announced a policy of progressive lifting of the restrictions on United States imports. By July 1 some fifty Canadian imports subject to quota

will then be down to less than ten per cent of the estimated imports. What is the reason for that?

An hon. Member: More exports.

Mr. Howe: Trying to please the financial critic of the opposition.

Mr. Drew: That interjection shows exactly how much the proposals the government is making have sunk into the minds of some of the members. Everybody here knows that this country has been importing from the United States an amount considerably in excess of what we have been exporting; and we know perfectly well that we have to balance that, as the British say they have to balance their situation with us. That is the position that has been taken.

Mr. Garson: Surely not!

Mr. Drew: Here is the minister of combines in the debate now. This lifting of the restrictions may be convenient, but it is not particularly consistent with the suggestion that we decrease our imports from the United States to a point at which we reach some balance with them, and that we use that amount to buy further exports from the United States.

In case anyone has any doubt about the desirability of this action, may I quote from a statement made by Mr. James S. Duncan, the chairman of the Canadian dollar-sterling trade board, which has received such unqualified expressions of approval from the Minister of Trade and Commerce. This is what he said:

> The balance of imports from the United States is so great that only a decrease of fifteen per cent, which would not be serious as far as the United States is concerned, would be equivalent to an increase of imports from the United Kingdom of some ninety-four per cent based on 1949 figures. This would go a very considerable way toward solving the whole problem.

I would ask hon. members to get that statement clearly in mind. Only a decrease of fifteen per cent in the imports from the United States would be equivalent to an increase of ninety-four per cent in imports from the United Kingdom to this country.

Mr. Howe: So we should put on more restrictions against the United States.

Mr. Drew: The Minister of Trade and Commerce evidently believes that the way to bring that about is to make it easier for the United States to ship in here. That is what he is doing.

Mr. Howe: My hon. friend had better get together with the hon. member for Greenwood (Mr. Macdonnell).

Mr. Drew: That is exactly what he is doing. May I say this. As to this question of imports from Britain, there are a number of things that the Minister of Trade and Commerce might well observe. I am satisfied that hon. members want to see imports from Britain. They want to see imports from Britain of things that we are now buying to an unnecessarily high degree from the United States; but as a member of this house and as a Canadian I say now—and I know that I do not speak alone in this—I do not care what the situation is, I do not want to see imports from Britain, or from any other country, putting our people on the street; and it is not necessary.

Mr. Howe: R. B. Bennett back again.

Mr. Rowe: Too bad it was not.

Mr. Drew: No, not R. B. Bennett back again. The present Minister of Trade and Commerce would not really understand the trade concept of the commonwealth that was in the mind of R. B. Bennett then and all through his life.

Mr. Pouliot: Let the dead bury their dead.

Mr. Drew: I hope the hon. member is feeling perfectly well.

This trade situation was not something that suddenly emerged after this announcement in the house last December. This trade picture was known last spring, and it was known perfectly to the Minister of Trade and Commerce, and to the Minister of Agriculture, who has told us that he knew two years ago what the attitude of the British government was going to be. He knew perfectly well that there was going to be a determined effort to keep our products out of that market.

But let us take independent views on this. Last spring the London *Economist* had this to say. I do not think the Minister of Trade and Commerce will question the fact that this is a reputable publication. The London *Economist* had this to say last spring some time before the election:

> To talk to officials or ministers concerned with trade, one would never think that Canada's position was at all precarious. There is a political explanation for this unfounded optimism. The Liberal government goes to the country at the end of June.

But that is a very clear statement of exactly why the people of this country were not told what the trade situation was before June 27 last year. The New York *Herald Tribune*, another highly reputable publication, had this to say:

> The Canadian trade picture is deteriorating so quickly that it is not out of place to suggest that the government sprang the election before the situation became so serious that it could not possibly be returned at the polls. Foreign trade is that important to Canadians and to Canadian politics.

Some hon. Members: Oh, oh.

Mr. Drew: In view of the fact that hon. members on the other side laugh I am going to read it again because it is by an independent publication:

> The Canadian trade picture is deteriorating so quickly that it is not out of place to suggest that the government sprang the election before the situation became so serious that it could not possibly be returned at the polls. Foreign trade is that important to Canadians and to Canadian politics.

Mr. Cruickshank: Were we returned?

Mr. Rowe: Do you not know?

An hon. Member: You know.

Mr. Deputy Speaker: Order.

Mr. Knowles: The people know now, to their sorrow.

Mr. Drew: Mr. Speaker, there is this resolution before the house; and the conduct of many hon. members this afternoon is a perfectly clear and vivid demonstration of the fact that unless there are some members supporting the government who are prepared to vote according to their opinions, and not according to what they are told in the study groups, there can only be a remedy to this situation by the use of this chamber as a forum through which hon. members on this side of the house can speak to the people of Canada about the danger in which our parliamentary system now lies.

This government did suppress the facts last year. What resulted is important only from the point of view of arithmetic, because it is past. But what is important is the fact that any government would hide the truth without apology to parliament or to the people, and still suggest that they kept nothing from the people of Canada. This government not only hid the combines report, this government hid the facts upon which the people could have formed an opinion. This government now seeks to hide the facts; this government is not prepared to open up some of the departments to the examination that would place before parliament and the people of Canada information which is in its possession, and which we have the right to know, to examine and to discuss, and upon that discussion to decide.

This motion is clearly a statement of principles that are in issue, and I still hope—perhaps it is a forlorn hope—that in addition to those who have indicated their support of this motion there will be others on the government side who will follow the honoured tradition and show—

Some hon. Members: Oh, oh.

Mr. Drew: Yes, the laughter, Mr. Speaker, with which that is greeted is merely an evidence that we have here rubber stamps that are not prepared to exert their opinion.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am not going to make a long speech. We have had a speech this afternoon, much of which was amusing, some parts of which were rather insulting. After all, I do not know that there was very much accomplished here this afternoon that will tend to the betterment of the conditions of the Canadian people.

Mr. Drew: Not unless this is a free parliament.

Mr. St. Laurent: The hon. gentleman has spoken about there being no other opportunity but this forum to speak to the Canadian people. Well, if all the speeches that come from the other house are like that of this afternoon—

Mr. Drew: Are you going to have Senate reform?

Mr. St. Laurent: From the other side of the house, are like that of this afternoon, I think the hon. member who has just taken his seat will have to contemplate the possibility of the Liberal party being a very long time in office.

As to the suggestion that there has been delay, I am not complaining. I am leaving it to the public to assess the value of what has been done here today since three o'clock in the improvement of the conditions of the Canadian people. I am not complaining but I am going to state that up to the present time there have been 82 speeches on the address in reply to the speech from the throne. The official opposition is made up of 40 members. Twenty-one speeches, including that of this afternoon, have been made by them. Fortunately, they were not all the same as the one we heard this afternoon. Of the 13 members of the C.C.F. party, 11 have taken part in this debate. Of the 10 members of the Social Credit party, 8 have taken part in this debate, and of the 190 members who support the government, 40 have participated in the debate.

Mr. Casselman: Forty-one now.

Mr. St. Laurent: Forty-one with the speech I am making. That is the situation. I think there have been a good many of those speeches more concerned with partisan political warfare than with actual realizations for the benefit of the Canadian people. But that will be judged by the Canadian people themselves.

There are only two or three things to which I should like to draw attention. The hon. member spoke about twisting and quibbling. I am not going to use any adjectives to qualify the remark I wish to make; but I invite hon. members to compare what the leader of the opposition (Mr. Drew) said last evening,

as reported at page 764 of *Hansard*, the last paragraph on the first column, with the way he tried to assert this afternoon that he had justification in a newspaper report for what he had asserted there.

Mr. Drew: I certainly had.

Mr. St. Laurent: Just make the comparison, and you will see what he was trying to justify was his assertion that the Minister of National Defence (Mr. Claxton) had said on one occasion that we had a higher percentage of jets than any country in the world. To justify that he referred to a report of the Canadian Press in which the minister is supposed to have said that 80 per cent of the appropriations voted for the air force was devoted to jet planes. That, in the hon. member's opinion, justifies the assertion he made last night.

Mr. Drew: Mr. Speaker,—

Some hon. Members: Sit down.

Mr. Drew: I rise to a question of privilege. The Prime Minister is reading from page 764. He knows perfectly well that I said on that occasion, and repeated the statement, "You said that our plans called for the highest number of jets of any country in the world," —"the highest percentage of jets in any country in the world."

Mr. St. Laurent: I leave it to the judgment of those who will make the comparison to see where there is any twisting or quibbling.

The hon. member has said that when he was acting in another capacity, and I was acting prime minister, he had written asking that the dominion-provincial conference be reconvened. Well, I may have been unfair in my appraisal of what the hon. member then wanted. I felt that what he wanted was an occasion for partisan, political warfare. It possibly was unfair to him—but you heard his speech this afternoon.

This time the dominion-provincial conference is being reconvened, and the position the hon. member then occupied is occupied by someone else who is reported in the Windsor *Daily Star* of yesterday to have made the following statement about the proposal to set up a committee to inquire into old age security which was so severely criticized this afternoon:

> He sympathized with the position of the teachers but the problem extended to clergymen, railwaymen, civil servants and those living on annuities, he said.
>
> "That is one of the reasons I would like to see the abolition of the means test," the premier said.
>
> He said he thought it would not be long before the means test was removed, and that he thought a House of Commons committee, such as requested recently by Hon. Paul Martin, Minister of Health and Welfare, was a good system of dealing with pension problems.

That seems to have been the statement of someone who wished to promote accomplishments rather than attempt to score in partisan, political warfare.

Then, with respect to the suggestion of labour projects being instituted at this time to deal with an abnormal, seasonal unemployment situation, the hon. member has suggested that there were hydroelectric power projects, and that there were drainage and irrigation projects. If I am not mistaken, those are matters which are of provincial responsibility and concern. It was my privilege to say on February 20 that if there were residual problems in the provinces or municipalities, the initiative with respect to them should be taken by those who had the constitutional jurisdiction to deal with them.

I am not going to attempt to make any tub-thumping speech. I am going to leave it to the house to judge on the statements which were made—even only on those made here this afternoon—as to whether or not the amendment submitted by the leader of the opposition should be accepted by the house.

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

YEAS

Messrs:

Adamson	Hatfield
Argue	Herridge
Aylesworth	Hodgson
Balcer	Homuth
Beyerstein	Johnston
Black (Cumberland)	Jones
Blackmore	Knight
Blair	Knowles
Brooks	Lennard
Bryce	Low
Cardiff	Macdonnell (Greenwood)
Casselman	McGregor
Catherwood	McLure
Charlton	Murphy
Coldwell	Noseworthy
Coyle	Pearkes
Diefenbaker	Poulin
Drew	Quelch
Fair	Rowe
Fraser	Stanfield
Fulton	Thatcher
Gagnon	Thomas
Gillis	Tustin
Graydon	White (Hastings-Peterborough)
Green	White (Middlesex East)
Hansell	Wright
Harkness	Wylie—55.
Harris (Danforth)	

NAYS

Messrs:

Abbott	Blanchette
Anderson	Blue
Applewhaite	Boisvert
Ashbourne	Boivin
Beaudry	Bonnier
Belzile	Boucher
Benidickson	Bourget
Black (Chateauguay-Huntingdon-Laprairie)	Bradette
	Bradley

Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Cannon
Carroll
Carter
Cauchon
Cavers
Chevrier
Clark
Conacher
Corry
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Cournoyer
Croll
Cruickshank
Darroch
Dechene
Demers
Denis
Dewar
Dickey
Dion
Douglas
Dube
Dumas
Eyre
Fauteux
Follwell
Fontaine
Fournier (Hull)
Fulford
Garland
Garson
Gauthier (Sudbury)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gibson
Gingras
Gingues
Gosselin
Gour (Russell)
Gourd (Chapleau)
Gregg
Harrison
Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Howe
Huffman
Hunter
Isnor
James
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Lapalme
Lapointe
Larson
Lefrancois
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
Macnaughton
McCann
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Masse
Martin
Matthews
Maybank
Mayhew
Mitchell
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nadon
Pinard
Pouliot
Proudfoot
Prudham
Ratelle
Richard (Gloucester)
Richard (St. Maurice-Lafleche)
Riley
Rinfret
Roberge
Robertson
Robinson
Rochefort
Rooney
Ross (Hamilton East)
St. Laurent
Simmons
Sinclair
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Studer
Thomson
Tremblay
Valois
Viau
Warren
Weaver
Weir
Whiteside
Whitman
Winkler
Wood—155.

Mr. Solon E. Low (Peace River): Mr. Speaker, in the normal course of events during this debate the group I represent would move an amendment. However, after the amendment was moved by the leader of the official opposition (Mr. Drew) a subamendment was moved by the leader of the C.C.F. party, and under the rules of this house we were prevented from moving a second subamendment. For that reason, if we wish to express here our precise point of view with respect to the motion for the address in reply to the speech from the throne, it is necessary for us to wait until the subamendment has been disposed of and then move another subamendment, or wait until the two amendments have been voted upon and then move a straight amendment to the motion.

I rise today for the purpose of moving a subamendment. It is our desire to place before the members of this house the specific point of view we hold with regard to the situation now existing in Canada. It is not for any purpose of delay at all. We are not going to be long in what we have to say in support of what I am going to move.

On other occasions during the past week when we have come to six o'clock or eleven o'clock Your Honour has permitted other speakers to adjourn the debate. Because I feel that what I have to say is most important and therefore should not be cut up, as it would be if I had to go on now, I would ask you to permit me to adjourn the debate.

On motion of Mr. Low the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will continue this debate. If it is concluded we will take up the motion in the name of the Minister of National Health and Welfare for the setting up of a committee on old age security. If that motion is adopted we will take up the resolution in the name of the Minister of Trade and Commerce concerning the introduction of amendments to the Research Council Act.

Motion agreed to and the house adjourned at 5.55 p.m.

HOUSE OF COMMONS

Thursday, March 16, 1950

The house met at three o'clock.

THE LATE MAURICE HARTT

Right Hon. L. S. St. Laurent (Prime Minister): Before we take up the business of today I am sure that hon. members would wish that we pause for a minute or two to pay tribute to the memory of our late fellow member, Mr. Maurice Hartt, member for Cartier, who passed away suddenly yesterday at the age of fifty-four.

Mr. Hartt was born in Roumania, and came to Canada at the age of twelve. He was educated here, receiving his early training extramurally from the Presentation Brothers, and afterwards he studied at Queen's university, Kingston. He then became indentured to the late R. L. Calder, a well-known and prominent lawyer in Montreal, and he was called to the bar of the province of Quebec in 1935. He very soon became prominent in his profession there, and in 1939 he ran for the Quebec legislature and was elected. He was re-elected to that legislature in 1944, and sat there until 1947. Then a by-election became necessary in the federal constituency of Cartier, because that seat had become vacant under rather unusual circumstances. He ran as a Liberal anti-communist candidate, and as we all know, was elected with a substantial majority. He was re-elected at the last general election with a larger majority. In both these campaigns he had waged a vigorous fight against a large communistic element in that constituency. Mr. Hartt was a distinguished member of the Jewish community in Montreal. We in this house know that he was a forceful public speaker and a redoubtable parliamentary debater. His wide popularity was based on the fact that he devoted so much of his time to seeking solutions of the general and individual problems of all sections of his constituency, the majority of whom were workers in the field of labour, and were Canadians of foreign extraction.

Mr. Hartt was a member of the Montreal Reform club, the Montefiore club, and the Mount Royal club.

I am sure that hon. members generally would wish to join me in extending to his widow, to his two sons and to his many friends in Montreal and throughout Canada generally, sincere condolences on the passing of one who gave so much of his energy in championing our democratic way of life.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to associate myself and the members of the party to which I belong with this tribute of respect to the memory of a very gallant member of this house. I use the word "gallant" advisedly, because it is well known to all hon. members that he suffered greatly during the last year and a half or more, and his illness was such as to call for a high degree of courage. His presence in this house in itself was a manifestation of that courage.

I did not have the privilege of knowing Mr. Hartt for the number of years that he was known to many other hon. members, but I do know that his industry and the stand he took on public affairs had won the regard and the admiration of members in all parts of the house. It perhaps was both natural and fitting that a man who came originally from a country which has suffered so much under the tyranny of communism should have identified himself so vigorously with a campaign against communism in this country.

In his passing this house has lost a man who, whatever other grounds of difference there might be in political opinion, certainly represented the common viewpoint in regard to the preservation of our system of democracy and the traditional institutions which we wish to preserve.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, in remembering the late Mr. Hartt I think it is a tribute both to his ability and to the opportunities provided by this country that, having come from Roumania, he should have achieved the distinction of membership in the legislature of Quebec and in this parliament.

As occasionally I sat here listening to him I admired his ability to use both the English and the French language, as well as, of course, his mother tongue and I believe related languages. We wish to join with all others in the house in expressing sympathy to his widow and his sons in their bereavement.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it is a cause for deepest regret that a man should be taken from our midst at the early age of fifty-four. At that age a man

The late Mr. Maurice Hartt

has acquired just enough knowledge and wisdom to be of real value to any body of legislators with which he might be connected.

Mr. Hartt proved himself to be very sincere, a man of great courage, as was pointed out, and a man disposed to face facts as they are. These things I believe constitute a great tribute to his memory.

This group desires to join with those who have already spoken in expressing our deep sympathy with the bereaved ones, and our appreciation of a fellow member who has gone.

Mr. David A. Croll (Spadina): Mr. Speaker, I speak from a sense of personal loss. I knew Maurice Hartt, having first met him twenty-five years ago when he came to the counties of Essex and Kent to speak on behalf of an old friend of mine, Eddie Odette, who was running in the constituency. I remember on that occasion hearing him speak at Tilbury and Belle River, and speaking in most fluent French. Then, as in later years, he was a most forceful speaker.

Our paths did not cross often. However, we met again in Ottawa in 1947, when he recaptured Cartier for Canadians. On account of ill health he seldom spoke in the house, but he did make some fiery and worth-while contributions to the cause which was closest to his heart—establishment and recognition of the state of Israel.

He was a man of intense loyalties—loyalty to his country, loyalty to his party, loyalty to his religion; and he was fiercely loyal to his friends. His great interest in life was the people in his riding of Cartier. There were many underprivileged people there who made many demands upon him. He met those demands as well as any member could have met them.

It is interesting to note the statistics in Cartier. That riding has a very high member-mortality rate. Public service had shared much of Mr. Hartt's life. In 1939 he was a member of the legislature of Quebec. He came to this house in 1947, but he took up community life in the city of Montreal from the time he graduated from Queen's and moved to Montreal.

To the public life of this country he gave a mind that was keen and thoughtful and a heart that was kind and considerate. He was a man who loved a fight, giving as he got. As recently as Monday of this week I received a cheerful and buoyant letter from him telling me of plans he had in mind for the future. Hon. members will appreciate what a shock it was to me when yesterday afternoon I was informed he had passed on.

[Mr. Blackmore.]

I saw him a few times during his illness. From our conversations I feel sure he would want me to say what I am now going to say. I wish particularly to thank the Prime Minister (Mr. St. Laurent), you, Mr. Speaker, and the Minister of National Defence (Mr. Claxton), for their thoughtfulness and kindness to Mr. Hartt during his long illness.

May I join with hon. members in extending deepest sympathy to his wife and children. He leaves to them a cherished memory of a very high reputation earned in the service of his country.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I am sure I would be remiss in my duty if I failed to join in paying tribute to the memory of the late member for Cartier, who was my roommate for some considerable time.

I, too, wish to express my sympathy to Mrs. Hartt and her two sons. It is tragic to learn that at the early age of fifty-four years a man of Mr. Hartt's calibre should have been called. As his former roommate I had the opportunity for many discussions with him about the hard knocks one sometimes gets in life. I am sure those who have known him will miss his pleasant smile.

LABOUR CONDITIONS

POLYMER CORPORATION, SARNIA—REPORT AS TO THREATENED STRIKE

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I rise on a question of privilege. Yesterday, in view of the threatened strike at the Polymer Corporation, because of representations made to me I asked the following question of the Minister of Trade and Commerce (Mr. Howe):

I should like to direct a question to the Minister of Trade and Commerce. It is based on a dispatch in today's *Globe and Mail*, and also on a telegram which I have just received. The dispatch indicates a threatened strike of employees of Polymer Corporation which would involve all the major industries in Sarnia. Is the Minister of Trade and Commerce prepared at this time to make a statement to the house?

I asked the question because it affected not only the major industries in the city of Sarnia, but also those in western Ontario, inasmuch as the plant supplies electricity to the extent of about 40,000 horsepower. This was the answer given at that time by the Minister of Trade and Commerce:

Mr. Speaker, I have had no report today from the Polymer Corporation, but a few days ago it was reported to me that a conciliation board had been sitting on a labour-management dispute, and that the board had brought in a unanimous finding which the management intended to accept. What has developed since I cannot say. The management of the corporation handle their own labour negotiations. From what I know of the relations between

the management and labour at Polymer I can assure my hon. friend that there is not likely to be a strike.

My interpretation of the minister's answer was—except for the last few words which are so important—that there would be no strike. Having received the minister's answer, I wired the union at Sarnia accordingly. My interpretation of what the minister said was borne out by a press report in the *Globe and Mail* of today's issue, which states:

Trade Minister Howe said today he could assure the Commons that there will be no strike at the government-owned Polymer rubber corporation at Sarnia.

I understand that the only other morning paper in western Ontario, the London *Free Press*, carries the same interpretation of the reply given by the minister.

Inasmuch as there is a vast difference between "there will be no strike" and "there is not likely to be a strike", I wonder if in view of the seriousness of the situation, in case there should be a strike, the minister would clarify the record.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, obviously if the the hon. member will read what I said it will be clear that I was expressing an opinion. Whether I said that there would in my opinion be no strike, or that there was not likely to be a strike, is, I think, immaterial. My hon. friend may make the headlines in his local paper, but I do not think he has thrown much light on the situation.

Mr. Murphy: I think it is more serious than that.

Some hon. Members: Order.

Mr. Murphy: The statement made by the minister does not clarify the question I asked. The point I am raising now is in substantiation of what I said a moment ago. What the minister said yesterday is not borne out by what appears in *Hansard*.

Mr. Drew: Mr. Speaker, I submit that there are certain questions which are so obviously a matter of public interest that no narrow interpretation of the practice should apply. In this particular case there is involved a plant which is not only a crown corporation producing certain important products, but supplies steam to many vital industries in the area, and electricity to the hydroelectric system throughout that part of Ontario. I should think that it is a matter of considerable importance, not only to the members of this house but to the people of western Ontario, to know whether there is or is not going to be a strike which will have effects that will go far beyond the Polymer plant.

An hon. Member: Where is the privilege?

Inquiries of the Ministry

Mr. Howe: I think it should be obvious to every hon. member that I cannot anticipate with certainty human behaviour. There are 800 men on the payroll of the Polymer plant, and they will determine whether or not there will be a strike. From my knowledge of labour conditions since the plant began operations I expressed the opinion that there would be no strike. All I can do is to give an opinion.

Mr. Graydon: You did not say it was an opinion yesterday.

RAILWAYS, CANALS AND TELEGRAPH LINES

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Hon. Alphonse Fournier (Minister of Public Works) moved:

That the name of Mr. Ward be substituted for that of Mr. Weaver on the standing committee on railways, canals and telegraph lines.

Motion agreed to.

SUPPLEMENTARY ESTIMATES, 1949-50

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1950, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Prime Minister? Has any decision been reached as to when it is proposed the house will rise for Easter? I think many hon. members who live long distances away want to make their transportation reservations.

Right Hon. L. S. St. Laurent (Prime Minister): The matter has been under consideration, and I understand that the government whip is going to communicate with the whips of the other parties. The present suggestion is that when the house adjourns on the Thursday before Easter it shall stand adjourned until the Monday after Easter week, but there has been no formal decision. The views of the various groups are to be ascertained, almost at once, before the formal decision is reached.

OIL AND GAS

QUESTION AS TO EXPORT TO THE UNITED STATES

On the orders of the day:

Mr. A. C. Stewart (Yorkton): I should like to direct the following questions to the

Minister of Trade and Commerce. Have any representations been made to him by the C.C.F. government of Saskatchewan with regard to protecting Saskatchewan so far as export of oil and gas from Alberta is concerned? What is the policy of the minister with regard to the granting of permits for pipe lines from Alberta to the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The answer to the first question is that I have no knowledge of any representations from the province of Saskatchewan in that connection. In answer to the second question I would say that I spoke on this subject at the last session of parliament, and pointed out that the Electricity and Fluid Exportation Act is designed to protect Canadian consumers. It is necessary under the act for the Minister of Trade and Commerce to give a certificate to the effect that the present and foreseeable future needs of Canada are protected before any exports of electricity or gas are permitted. It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export.

Mr. Smith (Calgary West): I know from discussions—

Mr. Howe: Sit down; you have said enough on this subject.

Mr. Smith (Calgary West): —that just the opposite has been said.

JAPANESE GOODS

QUESTION AS TO SALE IN CANADA AT PRICES BELOW REAL COST

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of National Revenue. In view of complaints by Canadian businessmen and others, are any steps being taken by the government to see that Japanese goods, including men's shirts, are not dumped on the Canadian market at prices below the real cost, thus endangering the livelihood of our Canadian workmen?

Mr. Graydon: Look out that you don't lose your shirt over this.

Hon. J. J. McCann (Minister of National Revenue): I am hanging on to mine. Goods have been appraised and additional duties assessed pending the outcome of inquiries which are now being made as to the fair market value in Japan.

Mr. Fraser: The fair market value in Japan would not—

Some hon. Members: Order.

Mr. Fraser: —protect us here.

JAPANESE PEACE TREATY

INQUIRY AS TO CONFERENCE TO CONSIDER PROVISIONS

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct a question to the Secretary of State for External Affairs? Is there to be a commonwealth conference in the near future to deal with proposals for a treaty of peace with Japan?

Hon. L. B. Pearson (Secretary of State for External Affairs): Not that I know of, Mr. Speaker. The hon. member may be thinking of a report that came out of London the other day that there would be commonwealth talks on this subject in London. We discussed at the Colombo conference the principles that might underlie and the provisions that might be included in the Japanese peace treaty when a Japanese peace conference is held. Those discussions were not completed and it was agreed they would be continued on an official level through our experts on this subject. I believe that in this way a further exchange of views may take place before long among members of the commonwealth concerned.

VETERANS AFFAIRS

INQUIRY AS TO TREATMENT OF VETERANS IN D.V.A. HOSPITALS

On the orders of the day:

Mr. P. E. Wright (Melfort): I wish to direct a question to the Minister of Veterans Affairs. Will the minister inform the house whether there is any justification in fact for the article appearing in the *Globe and Mail* of March 15, wherein certain officials of the Blue Cross organization charge tardiness in the treatment of veterans or others entering D.V.A. hospitals?

Hon. Milton F. Gregg (Minister of Veterans Affairs): My hon. friend kindly sent me notice of his question, but I only received it as I entered the house; consequently I have not had time to read the article to which he refers. I think it would answer his question if I were to say that I know of no charges from anywhere regarding, to quote my hon. friend's question, "tardiness in the treatment of veterans or others entering D.V.A. hospitals".

TRANS-CANADA AIR LINES

PERMIT FROM UNITED STATES TO CALL AT TAMPA, FLORIDA

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Trade and Commerce. As the President of the United States signed the approval this week for Trans-Canada Air Lines to fly between Montreal and Toronto, and Port of Spain, Trinidad, by way of Tampa and St. Petersburg, Florida, will the minister say whether the press dispatches are correct in stating that this permit was given to Trans-Canada Air Lines as the outcome of the application by T.C.A. to fly a direct Montreal-New York route?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The President of the United States has signed a permit which will permit Trans-Canada Air Lines to make a traffic call at Tampa, Florida, en route to Nassau and Jamaica. Although possibly having some relation, it is a different application from the one pending, which if granted will permit Trans-Canada Air Lines to fly from Montreal to New York.

DR. LEOPOLD INFELD

KNOWLEDGE OF ATOMIC ENERGY—PLANS TO TEACH IN WARSAW

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to refer to a matter, not by way of a question but under the general provision as to matters of public interest. It is one that I think should be brought immediately to the attention of the government, in view of the possible implications. It is also a matter that should be of common concern to the whole house.

In the issue of *The Ensign* dated March 18 there is a statement on page 3 headed: "Einstein aide plans to teach in Warsaw." The subheading is: "Communist Poland recalls Toronto Varsity scientist." In the article there is the statement that Dr. Leopold Infeld, who is a teacher of mathematics at the university of Toronto, has announced that he is to proceed to Warsaw to teach in the universities there, and to make plans for certain educational programs in co-operation with the government of Poland. The article further discloses the fact that, and I quote:

> . . . he is thoroughly familiar with the theory and much of the practical application of atomic energy.

It is also stated here—and I have other evidence to the same effect—that in 1946 he predicted that Russia would have the atomic bomb within three years. It was a strangely accurate prediction. It also is disclosed—and this does surprise me—that this scientist, who was a refugee from Poland and was welcomed as a professor at the university of Toronto, was teaching in Warsaw and Krakow last summer.

I think all of us are fully aware that in the communist states education is something that conforms to more than academic standards. Those who are engaged as teachers in their universities are certainly under certain limitations and are subject to qualifications that do not relate to their academic standing alone. I bring this matter before the house because I think it will be a most remarkable thing if it is true that Dr. Infeld is going to apply to the university of Toronto for a sabbatical year—not just the summer—during which he will receive half pay from Canada's largest university while he is in Poland for the purpose of organizing educational activities under the guidance of a communist government. His statement is significant in view of the words in quotation marks in the article, which is in turn a quotation from the Toronto *Globe and Mail*, that Dr. Infeld said some time ago he would return to Poland when "a progressive government in a new Poland that needs him would attract him back to Europe."

That statement is not open to much doubt if the words are correctly attributed to Dr. Infeld. I believe that the appropriate department of the government should look into the matter immediately; and, having regard to what has already happened under not dissimilar circumstances, appropriate steps should be taken to ascertain the circumstances under which Dr. Infeld plans to return to Poland armed with certain atomic knowledge that he gained during two years' association with Dr. Einstein in the United States, and from several years' activity in the fields of mathematics and physics at the university of Toronto.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, March 15, consideration of the motion of Mr. F. H. Larson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew.

Mr. Solon E. Low (Peace River): Mr. Speaker, I am hoping that during the time I shall occupy the floor of the house today I shall be able to have the ear of members of the Progressive Conservative party and as

many as possible of the members of the Liberal party, particularly those who are attending their first or second session. I refer to the newcomers on the Liberal side of the house, because I know that many of them have not had much opportunity to study the proposals that have been put forward from time to time by the Social Credit party in the house. It is because I should like to have them know exactly what we think about some of the important matters facing the Canadian people today that I appeal to them to listen. Furthermore, I appeal both to the Progressive Conservatives and to the Liberals to take seriously what I am going to say today, and then to take part in the debate and show cause why the things I say are not correct, if they think they are not.

I challenge them to take up the arguments that I shall present and debate them. Let them come to grips with them rather than try to brush them off by simply saying that it is all idealism, foolhardiness, or something of the kind.

Before I proceed, Mr. Speaker, may I ask you to call hon. members to order, because no one can hear as long as the buzzing which is going on at the present moment continues.

Mr. Speaker: Order.

Mr. Low: I first appeal to the Progressive Conservative party.

An hon. Member: That is your first mistake.

Mr. Low: We shall see whether it is a mistake. I believe in appealing to the reason of any man, no matter what he calls himself. After all, the names of the parties are merely labels, and frankly I have failed to find very much difference between that side of the house and my colleagues to the right, except that the group on the other side of the house seems more concerned about getting elected than doing something for the people.

I want to direct these views to the Progressive Conservative party, because the matter before us today is the amendment that has been moved by that party.

I should like to go back just a few years and remind them of some of the things said by a great leader of their party. I refer to the former prime minister of this country, Mr. R. B. Bennett. I am quoting now from a radio speech he made on January 4, 1935, I presume during the course of the election campaign, or at least leading up to that campaign. This speech is recorded in a little blue booklet called "The Premier Speaks to the People." I was attracted by some things the former prime minister had to say to the country over the radio that evening. I quote:

> My friends, when many of us talk about unemployment, we fail to realize what unemployment means. Unemployment is the visible expression of those inherent defects in the capitalist system which I have deen discussing.
>
> I have said I would end unemployment. That is why I have said and say again I will reform the system. The cynic may deride my determined effort to do so, but those of faith and sincere purpose will support me to the end of the road.

That was spoken as though from deep conviction that there were faults and weaknesses in the capitalist system which had to be corrected if we were to get at the root of our troubles and solve the unemployment problem. From Mr. Bennett's statement it is apparent that he was not trying to treat symptoms but rather was acknowledging the fact that we were producing to a far greater extent than the Canadian people were allowed to consume, and that the result of that fault was unemployment. Mr. Bennett declared at that time that he would reform the system. I could quote other statements he made during the same series of broadcasts. One that came over the radio on January 9, 1935, contained this statement:

> In my three previous talks I have declared definitely and repeatedly that there must be reform of our capitalist system and that the time for that reform has come. I have shown you that until the worst of the depression was over, reform was not possible. I have told you what we have done by other means to carry the country through the depression. I have said that further progress without reform is improbable.

There were a number of other addresses; and by the way I hold in my hand one of those addresses that has a foreword by an hon. member who now sits on the other side of the house, who at that time was a great hockey player and sportsman—the hon. member for Trinity (Mr. Conacher)—supporting the then prime minister of Canada, Mr. Bennett, and declaring to the country that the Conservatives were the reform party, not the Liberals.

Mr. Conacher: That was before I grew up, Mr. Speaker.

Mr. Low: What I have to say now was occasioned by something the leader of the opposition (Mr. Drew) said in the course of his address yesterday. Mr. Bennett was beginning to see the need of reform in 1935. He declared that reform must come to the capitalist system, that something had to be done about the growing menace of unemployment. He was not allowed to carry into effect the reforms he had in mind—and I do not wish it to be said we knew or endorsed what he had in mind. I challenge anyone in this house today to show that since 1935 those fundamental weaknesses in the capitalist system, which Mr. Bennett appeared to see, have been removed, and that the necessary reforms have been carried out. They have not. No effort

at all has been made by the government that has been in office since that time to reform the fundamental weaknesses of the capitalist system and thereby make it possible for the Canadian people to have confidence in the future.

If that is the case—and I declare that it is —then these reforms must be undertaken at the earliest possible moment, and I am directing this question to my hon. friend the leader of the Conservative party. What fundamental reform of the capitalist system is there in the proposal he made here yesterday that we allow the thing to drift along, with works programs, the building of dams, power projects and irrigation systems? That is exactly the kind of thing that has been going on ever since Canada was Canada. Mr. Bennett appeared to know that works programs of that kind were not enough. I ask the leader of the Conservative party to stand up some time during the course of this debate and tell us where in this proposal is the fundamental reform that will take care of unemployment. It just is not there, as must be perfectly obvious to every thinking person.

Well, the question now before us is the Conservative amendment; and because it is some time since it was placed before the house I am going to deal with it clause by clause and tell the house what we think about it. The first clause reads:

> We respectfully submit to Your Excellency that Your Excellency's advisers have:
>
> (1) failed to take adequate measures to preserve and expand markets for Canada's surplus products of farm, forest, sea and mine, and to deal with the problems of increasing unemployment and reduced income to Canadian farmers and other producers.

We believe the statement in that first paragraph of the amendment represents the true situation today, and because that is so we are prepared to support that clause. I believe that in speeches already made by members of this group we have indicated how we feel about markets and surpluses. The truth of that matter is that we have lost our traditional British market; we have lost other traditional markets in the sterling area, and we have failed to protect the best interests of the Canadian people by well-timed, realistic action that would recapture those markets and preserve them for the future. The Liberal government have not played the game with the Canadian people. They have not played the game with the rest of the British commonwealth. That is why we supported the idea of a commonwealth conference on trade, suggested some time ago by the hon. member for Lake Centre (Mr. Diefenbaker). We still feel that something worth while could be done through such a conference, to recapture and hold our traditional markets, and, while doing so, strengthen our commonwealth ties. For these reasons we strongly supported that suggestion.

The other evening we were all pleased when the Minister of Fisheries (Mr. Mayhew), on his return from a trip around the world, gave his realistic and refreshing speech on trade. Though he appears to have been forced to change what he originally said when he spoke in the house on March 13, as recorded at page 688 of *Hansard*, even in its changed form it makes an interesting and refreshing departure from the stubborn stand which the other ministers of the crown have taken and maintained during the past two or three years. I liked what the Minister of Fisheries said. I thought it indicated he had done some real and earnest thinking. What I am saying today is not to be interpreted in any way as criticism of the minister. I want to congratulate him upon his courage and his realism in standing up in this house and declaring to the Canadian people that there is a surplus problem, and an unemployment problem associated with it.

Anyone reading his speech cannot fail to get those two implications from it. In fact they are definite statements. He knew that surpluses and unemployment go together. He said so. In his prepared speech he saw to it that there was a hyphen placed between the two words; it is a surplus-unemployment problem. The Minister of Fisheries was realistic, honest enough, and felt his duties strongly enough, that he made that declaration to the Canadian people. I imagine the minister will have a hard time living down some of the things that did occur after he had made his speech. It is not going to be my purpose, however, to argue with him about the change he made.

I should like to point out, Mr. Speaker, two or three things in the minister's speech which I believe he and his colleagues should follow up.

As recorded at page 688 of *Hansard*, the minister said:

> Many of these difficulties may be overcome by extending the scope of barter arrangements for the particular commodities we have in surplus.

He indicated the reality of surpluses, and he indicated also a change from what we had heard a little while before the election of 1945. At that time the Minister of National Revenue (Mr. McCann), in a speech he delivered somewhere in southern Ontario, declared that the government was against barter deals. All through the election campaign the Liberals said that they were against barter deals. When the Minister of Trade and Commerce (Mr. Howe) returned

from his recent journey to Europe he was reported in the Ottawa *Citizen* of March 2, page 19, column 1, paragraph 4, as follows:

> Canada was encouraging private businessmen to arrange barter deals where such are more desirable. But the government was not directly involved in any such trade.

Even he, after a most stubborn stand over a period of almost two years, has finally come to the conclusion that Canada will have to resort to some barter. A realistic position will have to be taken to see to it that our trade constitutes largely an exchange of goods for goods, and that we are not restricted by this stupid convertibility provision. We want to see to it that goods are sold for convertible money as often as we can, but if our trade is going to be severely restricted by a convertibility clause in a trade agreement, then I say it is not realistic under present circumstances. The Minister of Trade and Commerce, as well as the Minister of Fisheries, has come to realize that we have to resort to some sort of barter in order to bring our trade up to the level we want. One other thing: I hope that the colleagues of the Minister of Fisheries will not be too stubborn about the situation in the future, but I hope he will be stubborn in maintaining his position.

Then, the Minister of Fisheries goes on to say this:

> It seems possible, therefore, to work out in Canada a combination between the very large groups of manufacturers and wholesalers and the government to provide both the management and the finance—

I realize that that was changed, and I am admitting that here, so the minister will not think I am trying to twist what he said.

> —to operate bilateral deals and to overcome the lack of facilities that faces any single corporation. Such a body could barter parcels of mixed Canadian merchandise for mixed imports from the non-dollar countries, and such merchandise could of course include capital equipment as well as foodstuffs or raw materials.

The next paragraph reads as follows:

> This instrument might be used experimentally as an additional means of meeting the surplus-unemployment problems. If the subject is not approached in some such way, there is a danger that the various boards handling surpluses will operate independently on a give-away basis, and that the various local unemployment problems will also be tackled by relief, public works or other means that will alleviate but not remove the basic difficulty.

Let me say that this suggestion put forward by the Minister of Fisheries is, on a national scale, what the Social Credit group in this house has been advocating on an international scale for the past two years or more. It is an instrument by which surpluses of food and other materials might be exchanged between nations, to the mutual advantage of those nations—an international commodity clearing house. The Minister of Agriculture (Mr. Gardiner) says that such a thing is unnecessary now; that the government can handle the problem itself. It is not handling it. The problem is still here, and the surpluses are appearing, more and more in number and quantity. Unless we do adopt some such proposal as is represented by the international commodity clearing house, I am satisfied that the government of Canada is going to continue to find itself in the same embarrassing position, with respect to surpluses and unemployment, as it is in today, only more so. The sooner we get at it the better, because the international monetary fund and the international bank do not provide the mechanism for an exchange of goods and services between nations, except on a convertibility basis. This is impossible under the present circumstances, and will be until our sister nation, the United States, begins to make dollars available in sufficient quantity to make convertibility possible.

I just want to leave that part, Mr. Speaker, with this word to the Minister of Fisheries. I compliment him on his realism. It is a good sign, and it is certainly reassuring to me to know that at least one minister on the front benches sees through the film of money to the things that are beneath it.

Before I go on to the next subject, Mr. Speaker, there is one other thing that occurs to me about this matter of surpluses. I imagine that the Minister of Agriculture will never live down what he said the other night, "A little cheese, a little butter and some honey." It will be thrown up to him for quite some time. The ministers ought to be more straightforward than they have been about this matter of surpluses. They ought to let the Canadian people know just what the situation is. Surpluses began to appear in this country two years ago. Time after time, the government was warned about them, and about the danger of accumulating surpluses of goods and services. I know this group certainly warned the government on a number of occasions. I know the member for Fraser Valley (Mr. Cruickshank) warned the government on a number of occasions about what was happening in his constituency—the berry problem.

I was under the impression that there were surplus beans in this country. On March 1, the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin), in answer to a question asked by the member for Middlesex East (Mr. White), told the house that the Secretary of State for External Affairs (Mr. Pearson) arranged to give 38,000 bushels of beans to the refugees of the war in Palestine.

This cost the Canadian taxpayers $194,419.88. These had been bought under the Agricultural Prices Support Act. They were surplus, and there were given away. We would never have known about this magnanimous gesture on the part of the Secretary of State for External Affairs and his colleagues if a direct question had not been asked by the hon. member for Middlesex East. We suddenly found that there had been a surplus of beans in Canada, and the surplus had been cleared away by the expedient of the Secretary of State for External Affairs giving them away. I am not questioning for one moment the good purpose that was served. All I am suggesting is that surely hon. members ought to be given a chance of patting the minister on the back for his magnanimity on behalf of the Canadian people whose money bought up the surplus of beans. We should have been given an opportunity to pat the minister on the back and tell him what a good deed he had done with our money. That is all I am saying about this. But we were not informed. It is too bad that we missed such a chance in this house.

Mr. Pearson: I do not want to interrupt the hon. gentleman, but I think he will find that he was wrongly informed, because this was included in an estimate for Middle Eastern relief, and was passed in the house. Part of that relief took the form of beans.

Mr. Low: That is fine, Mr. Speaker. As I said, there was no questioning the validity of the purpose, but certainly a thing of that kind, even when done by ministers who are rather reticent and who do not want too much publicity, ought to be recognized. It would have been a good opportunity for us to give the people of Canada a chance to pat them on the back. Anyway the incident does show that a surplus of beans did exist.

Mr. White (Middlesex East): It has been done with beans, but it has not been done with honey.

Mr. Low: During the election campaign I was out in British Columbia and I visited the town of Yarrow. At that time the Minister of Agriculture and the other ministers of the crown were telling the Canadian people that there were no surpluses; that the claims of the opposition members were all imagination; that we were trying to frighten the people. I went into the town of Yarrow and was taken by the manager of the big packing plant there to see the berry-packing industry. That day I was shown enough berries, strawberries and raspberries to make a million cases of pure strawberry and raspberry jam. It represented the whole of the 1947 crop of berries that had been standing there for two solid years, and most of the 1948 crop of berries, for which the growers had not received a cent. I should like to know just how much they have received up to this very time. They were lying there; I saw them myself in great hogsheads, left out under a boiling sun to rot. And yet the ministers claimed that there were no surpluses at that very moment. I do not need to say anything further about that.

We now come to the third section of the Conservative amendment, and we wish to say that we can agree with it. It may not go quite far enough perhaps to suit some people, but we would support it. We would also support section 4. We did demonstrate last night what we thought about the extension. We can support the extension.

We now come to section 2. Section 2 has to do with the question of a contributory old age pension program. It refers to failure on the part of the government to inaugurate a contributory old age pension plan on a national scale. I should like to take the next few minutes to place before the house our views with respect to section 2.

We have not yet been convinced that it is possible under a free democracy to devise and apply a contributory scheme of old age pensions that would be socially just, or that could replace and render unnecessary a basic non-contributory scheme. If a contributory program of old age pensions is to be socially just, I think all hon. members can see that it must cover everybody in the nation. Any scheme of the kind that I have ever heard of is in most respects like the present unemployment insurance program that we have in Canada. Many classes of people are not covered by the insurance benefits, and indeed, sir, I cannot see how they can possibly be covered under any unemployment insurance scheme that is workable. Perhaps the best example of these classes is the farmer. How can contributions be collected from the farmers of this country for an old age pension scheme? Especially, sir, how can contributions be collected from that very large number of subsistence farmers, those who are living right on the borderline, and who may not have more than $50, $60 or $75 in cash in a year? In my judgment there will always be a substantial number of subsistence and marginal-line farmers who would not be able to make a contribution to any kind of an insurance scheme.

Just because they cannot, I ask this question: Are they to be denied the old age security that we are prepared to advance to other classes, especially to those who live and work in the cities? Will it be socially just to exclude the farmer who, along with his wife and family, today has to put in very long hours of labour, away beyond the limits of health in

many instances, and to include on the other hand the organized workers who have succeeded in reducing hours of work to eight a day for a five-day week? Farmers have no five-day week and no eight-hour day.

Then, sir, there are those who are mentally or physically incapacitated, and therefore are permanently unemployable. How can these people become eligible to share in a contributory scheme of pension? And yet we all admit that something will have to be done to provide them with a means of living.

I was interested to hear the hon. member for Winnipeg North Centre (Mr. Knowles) about a week ago say that he felt the kind of old age pension scheme we now have could not possibly be considered as anything else but contributory. I agree with him. The closest calculations that I have been able to make indicate that the average Canadian, who begins at twenty years of age his active earning life in this country under present conditions, pays to the federal government more than $54,000 in taxes by the time he has reached the age of seventy, and is therefore entitled to an old age pension. Some people call that merely good citizenship. We think it is more than that. It is also a very substantial premium on a decent old age pension.

Mr. Knowles: You could buy a good annuity with that.

Mr. Low: As I say, it is also a very substantial premium on a decent old age pension insurance at a reasonable age without any further contributions at all. Especially should this be so since the life expectancy of a seventy-year old Canadian is only twelve years. If the full federal contribution of $30 were paid to him for the entire twelve years of his life expectancy the pensioner would receive only $4,320, which is only eight per cent of the taxes averaged over the years from age twenty to seventy, a sort of eight per cent discount for cash, as it were.

Even if we continue to follow the present restricted system of cash pensions, I say that it is impossible for us to give social justice to our own aged citizens. Let me interject here another very important consideration in connection with this contributory pension scheme. Let us not overlook the fact that all social security benefits of any kind, I do not care what they are, have to come out of current or accumulated production of goods and services. As a general rule, whatever social security benefits are paid during the calendar or the financial year are, in the final analysis, taken out of the production for that same calendar or financial year, because, under the financial system we have persisted in following, accumulated surpluses become so embarrassing from the point of view of storage, unemployment and so on, that they are sent abroad as fast as they possibly can be, on a give-away basis, or on what they call a foreign investment basis. What do we do, therefore, when we introduce a contributory social security program? By such a procedure we declare—and when I say "we" I mean the Canadian people as represented by the Canadian government—that the aged and crippled people in this country cannot have access to any equitable amount of our current production of goods and services unless, no matter how little they have on hand after the government gets through exacting taxes from them, as a result of which they have had to deny themselves the purchase of pressing needs, they contribute so much each year for fifty or more years.

We tell them, in effect, that unless for fifty years or more they let food, clothing and a good many other things go to waste each year, they have no right to share in the yearly harvest of Canada's rich production after they reach the age of seventy. They are told, "Unless you scrimp and save some money and hand it over to us, to the government—unless you save money out of your miserable pittance of net income, and do it each year for fifty years, there will be no food, clothing or shelter for you after your earning days are over, no matter how much of these material goods have gone to waste each year, mainly because you and people like you have not had enough money to buy them."

It does not make sense, does it? If it were actually materials being accumulated to the credit of the contributors over the years, there might be some sense to it, but all contributors accumulate is claims to current production, which claims may or may not have any value by the time a person becomes pensionable.

This brings me to another argument against a system of contributory pensions. One of the greatest evils of our present financial system is that there results from its operation a constant decline in the value of the unit of our money, the dollar. The 1950 Canadian dollar will purchase not more than half what the 1936 dollar would buy. Although for the last hundred years we have been improving manufacturing methods and materials, introducing labour-saving machines, and discovering new materials, all of which make it possible for us to produce things faster, cheaper and better than ever before, yet the cost of these things to the consumer in money has been constantly going up.

I warn all hon. members that this steady decline in the purchasing power of our dollar

will continue to go on, unless social credit reforms are applied. What justice is there in forcing people to contribute to a social security fund in 1950 dollars that in A.D. 1990 or 2,000 will be only half or one-third returned to the contributor? That does not make sense, either.

All one has to do is take a look at the plight of pensioners and superannuitants today to see what happens to them and their purchasing power over the years. That is why I say, as I said at the session last fall, that we certainly must have a resurvey of our whole pension program. Certainly government policies have a great deal to do with the decline in the value of money. If that is so, there must be something done, some reform brought in which will guarantee that when a man contributes to some scheme over a period of years he will get back dollars with as great value as the dollars he put in.

I have something more to say on this phase of the matter, but, in view of the fact that the time at my disposal is fast running out, I should like at this moment to move, seconded by the hon. member for Lethbridge (Mr. Blackmore), the following amendment to the amendment:

That the amendment be amended by striking out the word "contributory" where it appears in subparagraph (2); and also by adding the following as clause 5:

(5) failed to adopt measures adequate to establish in our country a balanced economy wherein Canadian consumers are constantly supplied with effective purchasing power sufficient to enable them to buy Canada's total production, if they so desire.

We suggest that such an amendment would round out the amendment offered by the Progressive Conservative party, that it would bring reassurance to the Canadian people and make it possible for them to face the future with confidence.

For the rest of the time at my disposal I should like to round out the argument I have begun in connection with pensions. What I have to say will take only a few minutes. A contributory old age pension arrangement might take many years to work out on anything approaching a satisfactory basis. While it is being worked out, what is going to happen to our aged citizens? Must they continue to live in poverty?

We do not oppose the idea of a voluntary contributory plan. Perhaps it could be made to work satisfactorily as a supplement—and I stress that word—to a basic non-contributory plan, but never to replace it. As a matter of fact we already have a number of such schemes available in the form of government or insurance company annuity programs. I say they are good, and if a person has the ability to make contributions over the years he can get just as good a deal from them today as he possibly could from a government scheme.

Mr. Knowles: If he has the money.

Mr. Low: Yes, if he has the money. But if he has not the money he could not contribute to them, or to a government scheme.

An hon. Member: And if he has a chance to work.

Mr. Low: Yes, as the hon. member suggests, if he has a chance to work. There is one aspect of this whole matter of pensions which I think all too often escapes notice. I refer to the fact that as more and more normal peacetime conditions return to our country and the world, and as more mechanization takes place throwing people out of work, it is possible to produce a very great volume of goods and services with less man-hours of work than ever before.

As a result unemployment tends to spread. Consequently it becomes the practice to hire younger labourers and to turn the older ones away because they are too old to work. It is not exceptional in this country today to see men of fifty or fifty-five who are told, "We are not hiring men of your age." Much of this would not be so if our productive effort resulted in the distribution among consumers of enough purchasing power in the form of salaries, wages, dividends, profits and compensations to enable them to buy back what has been produced.

But that does not happen; and as a consequence surpluses of most things begin to accumulate that cannot be distributed because there is no money, or far too little, in the pockets of thousands of potential Canadian consumers. As this condition begins to develop it becomes possible to provide pensions to the aged without resorting to taxation. It can be done by having the treasury cause to be created new money to represent the actual value of the surpluses, which money is turned over to the health department to spend into circulation through pensions on a non-contributory basis. I contend such a procedure would save large quantities of goods and services that otherwise would be wasted, or that might remain unproduced.

The absolute necessity of adopting a procedure of this kind, Mr. Speaker, will become much more evident as general unemployment develops into a problem—and I say it will develop into a problem; there is no question about it.

I think one of the reasons why so many members of the house who favour better old age pensions do not cast their votes in favour of improvements when they are proposed by opposition groups on various occasions is that they fear the adverse effect

of the tax increases which would result. I do not think there is any question about that. For this they can hardly be blamed, because taxes bear too heavily now on the average Canadian.

What they can be blamed for is that they have not sought out ways of improving our distribution system that has become so inefficient that it allows many hundreds of millions of dollars' worth of goods and services to go to waste each year, or to remain unproduced, which amounts to the same thing, if we can produce it. By a few fundamental changes in that wasteful distribution system it could be made possible for substantial improvements in the standard of old-age pensions without the necessity of increasing the tax load of the average Canadian. The Social Crediters try to see through the film of money to the realities that are beneath it. I know, Mr. Speaker, you are looking at me as if to indicate that my time has elapsed.

Mr. Deputy Speaker: Has the hon. member the unanimous consent of the house to continue?

Some hon. Members: Go ahead.

Mr. Low: I certainly would not want to continue without the unanimous consent of the house, but I should like to take a moment to round out this argument because I think it is important to hon. members of the house. We look at Canada's almost limitless productive capacity. We see with regret apple trees pulled up by the roots, thousands of barrels of apples begging for someone to eat them; we see many hundreds of cases of health-giving celery being dumped on the garbage heaps; all this because there are no buyers with cash to pay for these very important and worth-while products. We think of the ten per cent decline in poultry and egg production during the past few months. That decline could have been prevented if markets had been available.

Then we remember the 270,000 old age pensioners and the additional thousands of physically and mentally incapacitated Canadians who now are having to eke out a miserable existence on $40 or $50 per month, or even less in so many thousands of cases. I say to the members of this house: Could these aged citizens, could these mentally and physically incapacitated persons consume more of the products that are going to waste, either actually or because market incentives are not provided to have them produced? I think we must all agree that the answer to the question is obviously yes. I think we must all agree that the old age pensioners could and would consume these surpluses if they could get at them. It follows then that the problem is one of bringing willing and needy consumers and the actual or potential surplus production together. I emphasize that such a thing is physically possible.

Anyone who is at all well informed must know that whatever is physically possible and desirable can be made financially possible. We Social Crediters say that it must be made financially possible for our aged citizens to enjoy a decent standard of living because there is absolutely no reason in the world why the things to ensure that standard cannot be produced right here in our own country and made available to them. We look at the physical and natural realities. We conclude that it becomes our moral duty to see to it that our aged and incapacitated are not forced to continue to live in poverty while hundreds of millions of dollars' worth of good produce are allowed to waste.

While we keep these things in mind we Social Crediters think of the burdens carried by the taxpayers of this country. They must be protected as well. I venture the prediction that our aged Canadians and the thousands of crippled unemployables will never get social justice if it depends upon taxation to get it. I believe every thinking person realizes that that is so. While we are on this matter of taxation I should like to say just a word about the people who organize themselves to press for higher pensions. There is some responsibility upon them to find out what effect their pressure may have upon the taxpayers of Canada who are already overburdened by a heavy weight of tax exactions.

Mr. J. A. Ross (Souris): Mr. Speaker, it is a month ago today since this session opened and since I last spoke in this debate on February 21 many things have happened in this country, including a speech by the right hon. Minister of Agriculture (Mr. Gardiner) when he took some twenty minutes over his forty-minute time limit to place on the record a political speech delivered last May 28, none of which had anything to do with the many complex problems of today. This he did without the unanimous consent of the house and with the full support of a very noisy, howling, desk-thumping crowd of Liberal members who, it has been said, somewhat resembled a lot of trained seals. Personally I do not include some of the Liberal members in that description, but to a large extent that statement is all too true of the majority.

As has well been pointed out in a number prominent newspaper editorials across this country, the Minister of Agriculture might much better have used his time in some constructive discussion of the agricultural marketing problems facing us today. He did say that there is just a little surplus of cheese,

just a little surplus of butter and a small surplus of honey, but he neglected to mention surpluses of potatoes, apples and eggs and many other agricultural products.

I have since heard the Minister of Fisheries (Mr. Mayhew) refer not only to surpluses of products but to a surplus of unemployment in this country. More than that, the minister has been giving it serious thought and I think that is all to the good.

Speaking in Moose Jaw last April the Minister of Agriculture pointed out that the 20-cent payment on wheat was only a partial payment and there was still to the credit of the farmers an amount of from 12 to 15 cents per bushel. The report of the wheat board which was recently tabled shows that as of July 31, 1949, there was a bank deficit on the four-year wheat pool period of somewhat over $5,200,000. Therefore, it should be understandable why there is so much concern among the wheat farmers as to what their future payments may be.

The minister stated that the losses in marketing wheat under the British wheat agreement will not be borne by the farmers themselves. The money will be paid into the pool by the government of Canada by the end of this crop year, and if any loss is taken it will naturally be taken by the treasury or by a settlement that we may get from the British under the "have regard" clause. Since that statement was made the losses suffered by the wheat producers in marketing are greater than ever, apart from any future adjustment that may take place.

On March 7, 1950, the price of wheat at North Portal on the United States side of the street to United States farmers equalled $2.20, while the price on the Canadian side of the street to the Canadian farmers was $1.58-1/2, a difference of 61-1/2 cents a bushel.

We had in this house on March 1, 1949, as recorded on page 1013 of *Hansard*, the meaningless statement of the Minister of Trade and Commerce (Mr. Howe) that with the initial wheat payment of $1.75 per bushel, basis Fort William, the farmer's return for 1949-50 will be higher than in any other corner of the world. Well, the Canadian farmer now knows differently. It is my firm belief that after future adjustments are made, as a result of the Anglo-Canadian wheat agreements, the Canadian wheat producers will have subsidized British and Canadian consumers to the extent of several hundred millions of dollars.

According to the Sanford Evans statistical bureau of Winnipeg, during the first full calendar year following the war, in 1946, as a result of controls and embargoes imposed by our government, Canadian farmers suffered a loss in the marketing of livestock and coarse grains of $378 million over and above the great losses in marketing of wheat. That was just in one year.

The cost of living is still very high in Canada. The Bank of Canada index for February was 161·6. Many false accusations have been made as to agricultural production and sales being responsible for this. I should like to quote certain figures taken from the Winnipeg *Free Press* of September 15 last. They refer to Winnipeg, Manitoba, in the case of Canada, and St. Paul in the case of the United States, with the exception that as to wheat the quotation is at Minneapolis, the twin city of St. Paul. The figures are as follows:

	St. Paul	Winnipeg
Choice steers, live weight	32 c	22 c
Good cows, live weight	20	14½
Veal calves, live weight	28	24
Hogs, live weight	21½	22
Lambs, live weight	23	20
Wheat (Minneapolis) $2.22		$2.05*
		2.12**

* Contract basis.
** Open market basis, class II.

Turning to some of the important items that enter into the cost of living, note the following comparisons as of the same date:

	St. Paul	Winnipeg
Sugar cured side bacon	43 c	47 c
Spring lamb	59	59
Pot roast of beef	39	38
T-Bone steak, commercial	59	57
Canned ground pork and beef	39	50
Grade A roasting chickens	43	49
Canned shrimp, 5 oz. can	33	55
Argentine corned beef, 12 oz. can	43	47
Oleomargarine, per pound	29	39
Butter, first grade	59	61
Shortening, 3 pound can	85	$1.15
Bread wrapped pound loaf	11	10½
Orange juice, 48 oz. can	29	58
Soap flakes, large package	27	35

I am sure that is a most interesting contrast between what the agricultural producer in Canada receives for his products and what is received by the agricultural producer in the United States on the one hand, and on the other hand what the farmer's wife and other housewives in Canada have to pay for the articles I have mentioned compared with what is paid in the United States. Despite that comparison, under the present price ratio in Canada an hour's average wage of industrial labour will today purchase more farm products than at any other time since 1913.

On March 1 of this year a further increase was announced in freight rates making a total increase over the past two years of 40 per cent. The increases recently allowed by the board of transport commissioners should be held back by the cabinet until such time as the discrimination and discriminatory rates now in effect against western Canada and other parts of the country are removed.

According to the federal bureau of statistics the price of farm machinery increased 12 per cent last year. The estimated requirements for new farm machinery for 1950 are over $200 million, and over 60 per cent of it will be in western Canada. Think of the added burden of freight rates here alone. Everything the farmer buys is plus freight while everything that he sells is less freight. The farm labour index since 1939 is now 3·79, and has increased over three and three-quarter times. While the farmer's products are falling in price, his costs of production are all still increasing daily. I placed a question on the order paper with respect to income tax exemptions, and I wish to deal with that to some extent. It was answered on March 1 last. The question was as follows:

Are farmers allowed income tax exemption on new buildings, equipment or plant expansion on the same basis as is allowed to industries for 1949 or 1950?

The answer of the Minister of National Revenue (Mr. McCann) was:

No. The capital cost allowances in respect of taxpayers other than farmers and fishermen were set out in the regulations published in statutory orders and regulations, part II of the Canada Gazette, of the 8th February, 1950. The capital cost allowances in respect of farmers and fishermen were set out in the regulations published in statutory orders and regulations, part II of the Canada Gazette, of the 22nd February, 1950.

As most people realize, for the past few years farmers and fishermen have been allowed capital depreciation of 20 per cent on automotive equipment such as tractors, self-propelled combines, trucks, cars and so on. One month following the calendar year of 1949, and for the purpose of assessment of 1949 income tax returns, order in council P.C. 458 was passed by the government dated the 31st day of January, 1950, and was published in part II of the Canada Gazette of the 22nd of February, 1950. This retroactive legislation by order in council allows capital depreciation to farmers and fishermen of 15 per cent on automotive equipment and 10 per cent on harness and other stable equipment. The capital cost allowance in respect of taxpayers other than farmers and fishermen is set out in order in council P.C. 6471 under date of the 22nd December, 1949, and is published in part II of the Canada Gazette of the 22nd February, 1950.

Under class 10, automotive equipment—tractors, trucks, automobiles, trailers and so on—is allowed capital depreciation of 30 per cent, and harness or stable equipment is allowed 30 per cent depreciation, but a farmer or a fisherman is only allowed 10 per cent for harness and stable equipment.

If you are in the timber and lumber business in a big enough way, or in a few other large industries, under class 14 or 15 you may take capital depreciation of 100 per cent on certain equipment. We are not supposed to be living under a dictatorship in this country, and I protest as strongly as I can against this type of retroactive legislation by order in council. In my opinion people should know, when they are commencing the business of the year, on what basis they are to be assessed rather than have the basis of assessment established after the completion of the year's business. I think that is only a reasonable request and in the interests of good business.

I am not unmindful of the explanation made by the minister on March 13 when he pointed out that over a period of six years' capital depreciation the legislation would be slightly in favour of the farmer or fisherman. But what of the operator who desires to change his equipment in two or three years or any time less than six years? During the war years certain industries were allowed double depreciation. They were allowed to write off certain equipment in three years, and it was then a capital asset. This same principle is now to some extent in effect under the present legislation.

I protest as strongly as I can. Right now the situation is causing great confusion among farmers in western Canada, and I would imagine all over Canada, in preparing their returns. Yesterday in the vote on the amendment to the amendment to the address in reply to the speech from the throne every Liberal member voted confidence in the government. They voted against the third clause of the amendment which reads:

Deliberately violated a law of this parliament by illegally suppressing the report of the commissioner under the Combines Investigation Act on the flour-milling industry for ten months, including the period of the recent general election campaign, and denied to parliament information essential to the performance of its duty and the maintenance of responsible government.

I was amazed that there were not some Liberals who would rise and conscientiously express their feelings about this matter by voting in favour of the amendment which somewhat censured the government for that very serious offence. As most people know, flour milling in Canada is certainly big business. The inquiry into this matter dealt with the basic food commodity of this country, and the price of the daily bread of our people. This combine was carried on at the expense of the farmers, because it fixed prices at both the purchasing and selling ends. No offence so serious has ever been committed by any government in this country since confederation; and it is hard to imagine all their supporters in this house voting concurrence in such an undertaking.

Now, Mr. Speaker, I wish to deal with a couple more local problems within the constituency I have the honour to represent, something I have never done before except on the estimates. The first has to do with the construction of a customs building at Lyleton, Manitoba. First I should like to read the question I asked and the answer given on February 9, 1949, as they appear at page 385 of *Hansard*:

1. When was the contract for customs building southwest of Lyleton, Manitoba, let?
2. Has the building been completed?
3. Who was the contractor?
4. Was the contract on a cost-plus basis?
5. What was the total cost?
6. What accounts, and for how much, are still outstanding?

Mr. McCann:

1. Foundation contract let October 14, 1947. Superstructure contract, January 14, 1948.
2. Yes.
3. Contractor—L. J. Geddes, Gainsborough, Sask. Subcontractor—F. Stratford, Lumsden, Sask.
4. Contract for basement and sewage disposal system on straight contract basis and contract for superstructure on time and material basis, plus 10 per cent.
5. Total cost of combination office and residence including garage, sewage disposal and landscaping, $16,605.92.
6. One account with Brandon Sign & Stamp Works for $48 is still outstanding, pending settlement on correction to sign.

With respect to certain people who supplied material and performed work, that return was absolutely false. Last October I wrote to the minister concerning this matter, and I shall quote his reply, giving the initials rather than the names, to show that the answer given me in the house was incorrect. The minister said:

I have your letter of the 26th October, regarding outstanding accounts for work carried out and material provided during the construction of the customs excise building at Lyleton, Manitoba.

I am informed that the account of Mr. L— has been passed for payment in the full amount, and the account of M— Lumber and Manufacturing Company Limited has been placed before treasury board and payment may be expected in the near future.

I do not know whether those settlements have been made as yet, but I do know that as of February 1 of this year these people had not been paid. That is a serious matter. I am not blaming the minister personally, but I say someone is certainly at fault in that department.

The second matter with which I wish to deal is a question I discussed fully on December 1, 1945, on the estimates of the Post Office Department. That discussion may be found at pages 2816 and 2817 of *Hansard* for that year, if anyone cares to read what I said at that time. I asked the then postmaster general for an explanation of this situation, which I have never received. The war was over then, and I urged that a new post office should be constructed for the convenience of the people of Killarney, a town of some 1,200 population. On October 31 last I put the following questions on the order paper, to which I received these answers:

1. Did the federal government purchase property in Killarney, Manitoba, for a post office, if so in what year?
2. What was the purchase price?
3. Did the federal government or any agency thereof pay rent for said property following the purchase?
4. If so, to whom?
5. What amount and for what period of time?

The attached information has been received by the Secretary of State of Canada from the Department of Public Works and post office.

Answer of Department of Public Works:

1. (a) Yes.
   (b) 1939.
2. $2,000.
3, 4 and 5. Please refer to the Post Office Department.

Answer of Department of Post Office:

1. To be answered by Department of Public Works.
2. To be answered by Department of Public Works.
3 and 4. Postmaster at Killarney was paid a rental allowance which, it is understood, he in turn paid to the Whyte estate.
5. $30 per month from date of purchase until September 1948.

Not only did this government pay much more in rent, over a period of nine years, for their own property than it had cost originally; during that time the Department of Public Works spent a good deal of money repairing it. Last fall there was a vote of some $25,000 in the supplementary estimates for a new post office at that point, and in the Killarney *Guide* much credit was given to the Minister of Justice (Mr. Garson) and certain other Liberal members as a result. There was no discussion of this very serious matter of the government paying rental on their own property for some nine years. On behalf of those people I am happy to learn that there is a vote of $80,000 in the estimates this year for a new post office and federal building at Killarney. Irrespective of whom the credit should go to, I am sure those citizens will be happy when that building is completed, because it is badly needed there at the present time.

I appreciate that to some hon. members these matters may seem rather trifling; but there is a principle of great public waste and even, in my opinion, improper expenditure of public money involved. In that respect I should like to point out some of the difficulties that we face, under our present committee set-up, in following through and checking on the expenditure of public money. One year during the war the agriculture committee was studying a report of the Canadian wheat board, which included an item of $606,182 in brokerage charges paid to over ninety brokers of the Winnipeg grain exchange. It had been

admitted in evidence by wheat board officials that there was some doubt as to whether some of these brokers had actually rendered any service for the money paid; in fact the chairman of the board admitted before the committee that payments had been made to some brokers when services were not rendered. It was argued by government members that it would not be in the public interest to give either the names of the brokers or the amounts of money paid them individually. The following day a motion was moved by two of my colleagues, the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Dufferin-Simcoe (Mr. Rowe) that the board produce to the committee a complete record of brokerage fees and commissions of all kinds paid since the outbreak of war; the persons or corporations to whom such payments were made; the amounts paid to each, and the service rendered by such persons or corporations. The motion was defeated. I asked for a recorded vote, but still the motion was defeated, despite the fact that the order of reference in paragraph 2 (5) included a complete break-down of storage, insurance, interest, brokerage and commissions, which surely was broad enough to cover that information. The Minister of Agriculture (Mr. Gardiner) and his present parliamentary assistant (Mr. McCubbin) voted with other Liberal members of that committee to defeat that motion and prevent the public from getting the information.

This year on the committee on agriculture we have forty-four Liberals and sixteen other members divided among the three opposition groups. Never, during the war years or since, have we been able to obtain from the wheat board a proper accounting of their handling of the farmers' grain. The wheat board has become a political board directed by certain cabinet ministers. While I believe in the principle of wheat board marketing, I do not think they should be a political board, and I believe they should account to the producers for their actions in handling their grain.

Our public accounts committee for 1950 is composed of 50 members, of whom 35 are Liberals and 15 are from the opposition groups. Those 15 are divided between the three opposition parties. During the time I have been here, the government supporters have considered it their duty to sidetrack or smother criticism. They are there as partisans. I am told that in Great Britain the public accounts committee is composed of 15 members, with the opposition in the majority. The chairman is usually a member of the opposition. This is based on the theory that the opposition has not only the right to examine public expenditures, but is in the best position to inquire into the efficient management of public funds.

The Acting Speaker (Mr. Beaudoin): Order. I just heard the hon. member say that the members of the government on certain committees had acted in a way to sidetrack criticism, or the work of that committee. I am sure that the hon. member for Souris does not want to be so harsh, so perhaps he could modify his expression.

Mr. Ross (Souris): I bow to your ruling, sir. If anyone wishes to check my statement, the basis for it can be found in the proceedings of the agriculture committee for the year 1942. It is set out in great detail, so members can check it and judge for themselves.

As has been pointed out, there is approximately $600 million in the votes for national defence for this coming year. This is for only one department. Newspaper reports from the Liberal study clubs indicate some of their desires as to the allocation or method of expenditure. I think parliament must develop a more effective form of scrutinizing and checking upon this great expenditure of the taxpayers' money.

With respect to the arguments of the Prime Minister (Mr. St. Laurent), and the Liberal propaganda sent across this country at public expense to the effect that there is no effective national alternative to the Liberal party, I would advise all people interested to read an editorial appearing in the Winnipeg *Free Press* on March 14, 1950. It is headed, "Only Room for One Party," and deals with the general elections held in Russia a few days ago.

There is also an interesting editorial in the Ottawa *Journal* of March 15, headed "Chamber of Commerce and Government Expenditures". I should like to quote one small paragraph from that lengthy editorial. It reads as follows:

> The greatest enemy of economy in any country, the greatest breeding ground of extravagance, is a parliament in which one party is completely and continuously entrenched. Power, continued power, corrupts; breeds the mood of indispensability; breeds most of all indifference to criticism—breeds in fact resentment of criticism. Mr. St. Laurent and Mr. Abbott would have a far sharper ear for the advice and demands of the chamber of commerce if their majority in parliament were nine instead of ninety.

I sincerely hope, Mr. Speaker, in the interests of the taxpayers across this country, that some more satisfactory method will be evolved in this parliament for scrutinizing these gigantic expenditures. It should be on a more efficient basis than we have hitherto been permitted to carry out that function.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, at this late stage in the debate, I

shall only detain the house for five minutes. I am prompted to speak at all by a report which appeared in the Winnipeg *Free Press* on March 7. It concerns income tax prosecutions against farmers on the prairies. I should like to draw this report to the attention of parliament, and particularly to the attention of the Minister of National Revenue (Mr. McCann). It reads as follows:

> The national revenue department appears to be putting on another campaign against farmers who have failed to file income tax returns . . . In the first two months of this year, 1,953 prosecutions have been launched, mainly in the prairie provinces and western Ontario.

The efficiency of the Department of National Revenue has been lauded in this House of Commons on many occasions. I believe most members are prepared to admit that the department is doing a capable and efficient job. So far as the current campaign is concerned, and others like it against the farmers, I think everyone would agree that the department was only doing its job, if the campaign were being conducted on a universal basis, that is, against all Canadian farmers and in all Canadian provinces. It is only fair that farmers, like everyone else, should pay their fair share of income taxes. However, according to this report, as well as other evidence which is available, the department is not conducting this campaign universally across the country. It seems to be concentrated on the prairies, and some provinces have been overlooked.

Investigations and prosecutions against farmers have been launched in the past several months, mainly in the prairie provinces. While there may have been some, I cannot find evidence of many prosecutions having been conducted in the other provinces, particularly in the province of Quebec.

Mr. Speaker, I have nothing against the farmers of Quebec. But I am using them as a basis of comparison for what is happening in Saskatchewan, my own province. I may be wrong, but this recent campaign appears to me to be discrimination against the prairie farmers. I ask the Minister of National Revenue to tell the people of Canada, as soon as he can, and particularly the farmers, why his department is so active against the farmers on the prairies, and so inactive against the farmers in Quebec and other provinces.

Mr. Sinclair: The ones in the prairie provinces are the ones who are making the money.

Mr. Thatcher: They are not the only ones. If the parliamentary assistant to the Minister of Finance (Mr. Sinclair) will wait a minute, I shall give him the figures. The conduct of the Department of National Revenue is all the more strange in view of some of the figures that have been recently released.

In my hand I have a report on taxation statistics published by the Department of National Revenue for the year 1948. On page 145 I find that in the whole province of Quebec 400 farmers paid income taxes for the year 1946. They paid a total tax, Mr. Speaker, of $14,000. Based on the number of farmers in the province, that would be about 9 cents each. Perhaps the farmers in Quebec are not doing very well. However, I know that a friend of mine in Moose Jaw, who only has a small store—

Mr. Sinclair: A hardware store?

Mr. Thatcher: —in 1946 paid more in income taxes than all the farmers in the province of Quebec. I say there is something wrong. I wonder why the department has so many inspectors in Saskatchewan, Alberta, and Manitoba, when there are so few farm taxes being paid in the other provinces.

The personal income taxes collected in Canada in 1946 amounted to $695 million, which means that the Quebec farmers contributed about ·0002 per cent of that total. In the same year, the Saskatchewan farmers contributed $3,300,000. Can anyone be surprised today if Saskatchewan farmers are a little perturbed? Can anyone be surprised if they resent the fact they are virtually the only ones who are being investigated and prosecuted?

I have the 1949 report, also published by the Department of National Revenue. It contains the 1947 tax figures. According to that report, page 139, I find that out of 155,000 farmers in the province of Quebec only 540, or three-tenths of one per cent, paid income taxes. In Saskatchewan the same year 16,893 farmers paid; in Manitoba, 7,280; in Alberta, 13,985. The department only collected the magnificent total of $79,000 from the farmers in the province of Quebec. During the same year they collected in Saskatchewan $4,900,000, in Manitoba, $1,600,000, and over $4 million in Alberta. Some of my friends, like the parliamentary assistant to the Minister of Finance, say that possibly the Quebec farmers are too poor to pay income tax. That contention does not seem valid to me. I have heard a good many of my friends from Quebec tell us in the house of the wonderful farms they have in Quebec, about their magnificent dairy herds, of the cheese production and butter production which is carried on. I have travelled through Quebec. It is a very beautiful province. I have been amazed to find how attractive some of the farms are. Would any Liberal member in this house say

that in 1946 all the farmers in Quebec could or should have paid only $14,000 income tax, and that the farmers in the province of Saskatchewan should have to pay about 230 times as much?

I have no complaint against the province of Quebec. I know that so far as Quebec as a whole is concerned it pays a good deal more in income tax than does my province. I believe that in 1947 they paid $154 million as compared with $21 million in my province. I admit that. I repeat that I ask no special treatment for the farmers of Saskatchewan; I think they should pay their legitimate taxes. But I do ask that they be treated by the income tax department in exactly the same way as are the farmers in other provinces. If farmers are to be investigated and prosecuted in the province of Quebec and elsewhere, let them be given similar treatment in Saskatchewan; but if the department is going to ignore farmers in Quebec and in some parts of Ontario, let it also do the same thing in Saskatchewan, Alberta and Manitoba. I believe this matter should be explained by the Minister of National Revenue (Mr. McCann) very soon. If prosecutions are to be continued against farmers, it should be universal in all ten Canadian provinces, and not alone on the prairies.

Mr. Rodney Adamson (York West): I want to discuss some problems of taxation, but particularly the problems of taxation dealing with urban and suburban municipalities. I hope to make one or two suggestions to the Minister of Finance (Mr. Abbott) which would, in my opinion, greatly ease the burden of taxation and the difficulties which we see only too plainly are facing our municipalities, particularly in Ontario, at the present time.

I wish to discuss particularly the municipalities in metropolitan areas. I am not referring to what are known as dormitory suburbs, but to those completely balanced municipalities which have grown on the perimeter of our major cities. I wish also to deal with the cities themselves.

The study I have made is of course of my own constituency of York West and the city of Toronto proper. I did this because it is the area I know best. The figures which I have obtained are, I believe, applicable to most of the municipalities in Canada which are growing in both population and industrial potential.

The dormitory suburb as such is now probably an uneconomical anachronism because today the cost of providing municipal services, schools, et cetera, to a house is so great that without adequate industrial assessment few municipalities can provide it and remain solvent. It is true there are several wealthy suburban so-called villages without industry, where restrictions have been imposed on house construction, but these contain large houses and have a low density of population, there being in some cases only three to five houses to the acre; also the ratio of school-age children per house is below average simply because the residents are somewhat older and their families have grown up. Even so, these few expressly favoured municipalities are today faced with the most serious problems concerning the raising of revenue through taxation.

York West does not contain any such municipality and is in fact, despite its geographically suburban position, an industrial area, with a manufacturing output probably as large as any other constituency in the dominion.

The figures I wish to quote are taken from the taxation statistics of the Department of National Revenue. They are from the dominion bureau of statistics, and from the municipal taxes of the Department of Municipal Affairs in Ontario. While they are accurate in themselves, they deal with a slightly different period in time, and therefore the figures cannot be precise. But I submit they do not only indicate a trend, but are sufficiently accurate to prove the point which I wish to make at the present time. The interpretation of those figures, Mr. Speaker, I submit, shows the very serious situation which is facing municipalities at the present time.

Let me go over the district of which I have made a study. I am now referring to the riding of York West including the whole of the township of York, only about half of which is in my riding. These are the population figures for 1948: York township, 90,018; Etobicoke township, 30,769; Mimico, 10,164; New Toronto, 9,156; Swansea, 7,360; Weston, 7,219; Long Branch, 6,677; making a grand total for the riding of York West, with the addition I have mentioned, of 161,447. The population growth of this constituency, as estimated by many experts, is at an annual increase of 8 per cent. Therefore at the present time it is reasonable to assume that the district of York West has an estimated population of slightly over 187,000 people. By 1953, which is four years after the last election, and if there is no election in that year, that riding will have a population of over 225,000. If there is no election until 1954, the population will be approaching 240,000. I submit that, Mr. Speaker, to show the tremendous rate of growth of the suburban municipalities and the size of the district, which, as I say, comprises the riding of York West, and the peculiar problems which these municipalities are facing because of this growth.

I have here figures showing the total tax levy in York township, and the other municipalities. These figures are prepared by the Department of Municipal Affairs in Ontario, and appear in its annual report of municipal statistics for the year 1948. I believe that, with the consent of the house, these figures might be tabled. But, because of their interest, I shall give them in detail now. This table shows the total tax levy as compared with the school tax, and the figures are as follows:

Municipality	Total Tax Levy	School Tax
York township	$3,175,000	$1,072,000
Etobicoke township	1,243,000	411,000
Mimico	337,000	120,000
New Toronto	445,000	138,000
Swansea	290,000	91,000
Long Branch	218,000	85,000
Weston	303,000	110,000

This table gives for that district a total tax levy of $6,012,753 of which $2,029,816 was for school taxes. This means a very considerable tax burden on the population of my riding. It is a burden which, because of the growth of population in that area, is increasing. It is also bound to increase further because of the extra services by way of schools and other physical services provided by municipalities when new population moves in.

Let us compare these levies with the figures showing income tax raised in the same district. These figures are from the statistical report for 1949 of the income tax branch. While the amounts for the district of West York are not broken down into municipalities, nor in fact are they broken down at all, they are based on returns for the Toronto metropolitan area of which the constituency of West York forms a part, despite the fact that it is not in the city of Toronto proper.

We have on the record a total municipal tax in West York of $6,012,753 and a total school tax of $2,029,816 for the year 1948. Thus it will be seen that the school tax is 33 per cent of the total tax levy, giving a per capita tax for municipal purposes of $37.30.

It is generally assumed that the average dwelling contains five people. Using that multiplier, as the standard for the family unit, we get a municipal tax per family unit, that is per house, of $185 for 1948. As I have said, taxes increased not only in 1949, but, I understand, are likely to increase again in 1950. So with a tax levy two years ago of $185 per house, the taxpayer in my constituency owning real property is bearing an increasingly heavy burden.

To realize just how heavy that burden is, let us compare these figures with the figures for income tax as applied to the Toronto metropolitan area. In that area there were 359,119 taxable returns yielding a total tax of $115,400,000, or an average of $321 per taxpayer. These are the figures for 1947 when taxes were considerably higher than they are now, and exemptions lower. Out of a total population of 997,600 for the whole metropolitan area, this gives an average tax per income tax payer of $321.

In that year one out of every three citizens or residents in the Toronto metropolitan area —and in all cases I am taking the metropolitan area as the standard—paid income tax. I submit that with the increased exemptions the figure for this year is more likely to be one out of every four who would be liable for the payment of income tax. Also the tax collected would be considerably less than the $321 collected in 1947.

Let us see what this means. The municipal taxation on the householder, according to the figures I have given, amounted to $185. The average income tax was $321. Assuming that every householder is an income-tax payer, these figures show a municipal taxation of 54·5 per cent of total income taxation. In other words the average taxpayer in the Toronto metropolitan area is paying 54½ per cent as much in municipal taxation as he is in income taxation. That, in my opinion, is a serious situation. It is a serious situation for a number of reasons. The first reason is that municipal taxation is a fixed charge on real property. If a citizen runs into hard times and his income decreases, his income tax also decreases, but his municipal tax continues and is a first charge against what may be his main security, namely, his house and his property.

That is the situation which I submit was largely responsible for the difficulties faced by the municipalities in the years following the first war. As property values fell, as they do in times of lowered national income, it became less and less desirable to own property. Many hundreds of people who were purchasing houses either on time payments or under a mortgage, found it was not economically sound to continue either type of payment because with the destruction of the value of real property they were better off to let the mortgage holder have the house and either purchase another house at a lower value or rent. That was the situation after the last war. We must prevent it from happening again.

With the tremendous increase in the number of new family units, particularly veterans' housing, in the constituency of York West, we are faced with a school problem of tremendous importance and seriousness. A veterans' housing project was erected in the township of Etobicoke consisting of some

350 houses. The qualification necessary to obtain a house was that you should be a veteran with overseas service and a minimum of two children. Actually each house rated 2·4 children, of whom two children were of school age. That meant that the school section was faced with the immediate problem of providing accommodation for from 600 to 700 children. With the optimum of 50 pupils per room that meant an additional ten or twelve rooms. At an average cost of $35,000 per room it meant that that school section was faced with an immediate capital outlay of from one-third to half a million dollars.

This was previously a farming district and it was absolutely impossible for that school section to make that capital outlay. It imposed a tremendous burden on the whole municipality. This is merely one example of the capital expenditures being faced by municipalities at the present ime. Admittedly the government of Ontario has done and is still doing a great deal to help in the erection of schools. In fact it would be impossible for many municipalities to go ahead with their school building programs if it were not for the aid being given by the provincial government.

The figures I have given to the house indicate the tremendously heavy burden of taxation that is being borne, a burden which is likely to grow. I suggest that the ratio of municipal taxation to the federal income tax is now nearly 60 per cent in many sections. That is assuming that the householder and the income-tax payer is one and the same person, and that is true in virtually all cases.

A principle was enunciated by the Minister of Finance (Mr. Abbott) in his last budget against double taxation. He wisely—and I would like to see this extended—made a deduction of ten per cent on income from dividends paid by Canadian corporations. That was a step in the right direction and I hope in the budget to be brought down it will be extended. But here is an even more vicious example of double taxation. The home owner has a liability to pay municipal taxes which is just as much a liability as a mortgage would be. Unless he pays, he loses his property. Yet he gets no credit in his income tax return for that payment. For income tax purposes he is not allowed to deduct those essential taxes he pays to the municipalities. Nor is he allowed under the regulations as I understand them to deduct mortgage payments on his own home. My just request therefore is that municipal taxation be considered as a deductible expense for income tax purposes.

[Mr. Adamson.]

There is one other and slightly increased danger to the man or family buying their own home today under a long-term program extending over twenty, twenty-five, thirty, and in some cases forty years. The payments being made are a direct charge against the family. If they are not made, the security of the home owner is destroyed because he loses his property.

I have one further suggestion to make as to education. Today the cost of education to municipalities and taxpayers of municipalities is a matter of growing concern. As I have shown, it is fully one-third of the total tax levy at the present time. Here is a direct charge for the education of our children which must be met. If I as a taxpayer give a scholarship to educate somebody else's child I am allowed to deduct that from my income for taxation purposes. Nevertheless, because it is my moral responsibility to educate my own child, I am not allowed to make a deduction from my own income for that purpose. I suggest that the matter should not be placed on a moral basis. It should be placed on an actuarial or economic basis. It is much more important for me to see that the children who are my responsibility receive as good an education as they are capable of absorbing. Because it is my duty to do so, and because I will endeavour to do so, is beside the point. I feel that the government should base its taxation so that the money spent by an individual taxpayer for the education of his children by way of school taxes or school or university fees should be allowed as a deduction from his income for taxation purposes.

I have tried to show the house that our system of municipal taxation is a growing burden on the very people who form the backbone of the country, the great middle class, the people who own their own homes, who are doing everything to maintain the economic stability of the country, the people who should be encouraged in every conceivable way to do the very thing they are doing, namely, build a house, live in it, have a family and form a stable and secure backbone of the economy of Canada. Therefore I suggest to the Minister of Finance that in the preparation of the budget one of the reforms that should be included is that taxation levied by way of municipal taxes on the homes and properties of taxpayers should be allowed as a deduction from income for taxation purposes. Municipal taxation is a liability just as much as the interest payments on borrowed money.

As I have indicated, in my riding the total of such taxes in 1948 amounted to some $6 million. The loss of revenue would therefore not be a great one, and it would be an immedi-

ate help not only to the municipality but also to the home owner.

Today municipalities in the constituency of West York are submitting resolution after resolution to me asking that the federal government assume 50 per cent of the cost of direct relief. With these resolutions I am in complete accord, but I suggest that the two recommendations I have made would be of immediate help to municipalities and home owners. In accepting these suggestions we would not be doing anything but admitting and continuing the principle that dual taxation is an evil. We would be providing that branch of government which is closest to the people, municipal government, with a degree of security, and by the adoption of the two suggestions I have made we would provide home owners, heads of families, with a sense of growing security and a realization that to own a home, to have a family, is something which is the foundation of our economic system and is the highest type of action any citizen can take. For that reason, Mr. Speaker, I suggest that these two recommendations should be given earnest attention by the Minister of Finance (Mr. Abbott) when considering any new measures of taxation to be included in the budget he will be bringing down shortly.

Mr. J. R. Garland (Nipissing): First, may I explain my reason for participating in this debate. During the last session, I spoke briefly during our discussion of amendments to the National Housing Act and confined my remarks at that time to the housing situation. I therefore wish to take advantage of this debate to mention briefly other matters of concern to our people.

May I join the speakers preceding me and congratulate the mover and seconder, Mr. Larson and Mr. Dumas, for the very capable manner in which they discharged their duties, and further may I add a word of congratulation, late perhaps but none the less sincere, to our new Minister of Citizenship and Immigration who, I am sure, will give his new department the splendid leadership it deserves.

During the long history of parliament it has been the privilege of hon. members taking part in this debate to eulogize their own constituencies. It is not my intention to follow that practice; in fact I do not think I will mention my riding at all. Mind you, I could use the entire forty minutes allotted to me in telling you of this grand district of Nipissing which I have the pleasure to represent, strategically located as it is at the gateway to the unlimited wealth of our great north land. I could tell you of the great resources of this district; I could give you some of the highlights of the history of some of the centres of population in my riding. I could tell you stories of the picturesque and beautiful town of Mattawa, nestled in the valley at the junction of the Mattawa and Ottawa rivers. Or I could tell you the history of Sturgeon Falls and how it became a boom town with the building of the Abitibi mill there; of its history during the long, dark years of depression, and its resurgence as one of the best towns in northern Ontario. I could tell you of North Bay, so properly called the gateway to the north and the capital of northern Ontario. I could tell you that North Bay is a great transportation city, because all the commerce of the north must pass our way. I could tell you of the railways fanning out in all directions, carrying manufactured goods from the south to house, clothe and feed the people of northern Ontario and northwestern Quebec, and bringing from our great north country the materials wrought from our rich and bountiful land, products of the forests and the mine, including gold, silver, cobalt and nickel. Yes; 95 per cent of the world's supply of nickel is produced only some eighty miles west of our city. Busses, too, fan out in all directions from our city, over a splendid system of highways, carrying people to and from the industrial centres to the south and to the mining and lumber districts of the north. We have, also, one of the finest airports in the country.

Then, if I chose, I could tell you of the hundreds of lakes and streams so bountifully stocked with every fish imaginable that have attracted and are continuing to attract thousands of tourists to our district. I could tell you of the miles of beautiful sand beaches on lake Nipissing, that same sandy shore where the famous explorer Champlain paused with his friend, Brulé, in the long twilight of a summer evening on that 25th day of July, 1615, and admired the beauty of this great inland lake. I could tell you, if I were not so hesitant to boast of our district, that here in lake Nipissing is the greatest pickerel fishing bank on the North American continent; I could also invite you to come to Nipissing and paddle your canoe over the beautiful waters of Trout lake and travel, if you will, the exact course taken by Champlain on that day so long ago on what is now known to thousands as the famous Champlain trail. Then I could tell you of the beautiful Temagami area in the north end of my riding, rapidly developing into one of Canada's most popular summer playgrounds. I could tell you of the wonderful possibilities of the beautiful French river area, as yet practically virgin territory.

Yes, if I were not so hesitant to extol the virtues of my riding, I could tell you that this great paradise attracts thousands of tourists annually, who swell our population and spend

approximately $5 million each year in our district. Then, if I chose, I could tell you of our people; I could tell you that Nipissing is the home of the world-famous Dionne quintuplets, those five charming young ladies who only a few years ago rocketed our little village of Corbeil into international headlines; I could tell you of our people, English-speaking, French-speaking, people of Italian origin, and so on, who, regardless of their race or background, are real Canadians with a tremendous amount of faith in the future of our great country.

All this I could tell you and more if, as I said before, I were not so hesitant to boost my riding. I would extend a welcome to industry planning new developments to seriously consider the district of Nipissing before making any final decision as to the location of new plants, because Nipissing is the geographical centre of Ontario, linking northern and southern Ontario. To our west lie the sprawling grain empire of the prairies and the rapidly-developing oil fields of western Canada; and to our east the great port cities of the Atlantic. In these days when so much emphasis is being placed upon decentralization, I would urge that consideration be given to our district. Here employer and employee can work and live together, removed from the countless pitfalls of congested-area living, yet only a few hours away from the great markets provided by Canada's large cities.

And now, sir, I turn to other matters. I was indeed pleased to see our government, during the last session, acknowledge their responsibility regarding assistance to municipalities where there is an excess of federal buildings. While the government is to be commended, I do not believe that we have gone far enough, because regardless of the concentration of these federal buildings the responsibility is there, and I hope that the legislation proposed last year and again referred to in the speech from the throne this session is only the thin edge of the wedge, and that our government will give further consideration to this assistance to our hard-pressed municipalities.

Now, sir, a word about social security measures in general and old age security in particular. I am indeed pleased, as I feel sure all hon. members are, to see a committee being set up to study thoroughly all phases of an adequate old age security measure. We have heard considerable talk in this country about the abolition of the means test, and I regret to see some of our people using this issue to stir up worry and discontent, yes, even hardship, among our older people, knowing full well that they do not have the authority or the responsibility of doing anything about it. Unfortunately there are two groups of people in this country—one who would recommend giving everything to the people with no regard to the cost, and the other who shudder when the words "social security" are mentioned. They hide behind the cloak of free enterprise and claim that any step forward in the field of social security is a sign of weakness and can only result in the softening and breaking down of the initiative of our people. Thank goodness there is still a third group, to which I subscribe, who do not believe that everyone should be dependent upon the state, nor on the other hand that business exists only for the sake of business and profits. We believe that industry can and should show a profit and yet, at the same time, can and should share some of these profits with labour. These same beliefs, it would seem, carry through when thinking in terms of old age security. One group would recommend pensions for everyone without restrictions; another group believe that the government has gone too far with its present legislation, and in our own group we believe that the whole matter should be gone into very thoroughly and similar types of legislation in other countries studied, and in gathering these facts making sure that any new plans being embarked upon can be carried out successfully and within the means of Canada's national purse. Let us all join together in working out a plan whereby Canada's senior citizens may be freed forever from anxiety and fear; that will enable them to relax and enjoy, in the twilight years of their life, the peace and security they so richly deserve.

At this time, I should like to refer briefly to a matter that has not been covered, to my knowledge, by other hon. members, and that is Canada's tourist industry. During 1949, Canada's tourist industry established new records, when over-all revenues from travellers from other countries reached $288 million according to the bureau of statistics. Today, the tourist business provides more United States dollars to Canadian people than any other export industry, with the sole exception of newsprint. It is, therefore, no mean factor in our national economy. This industry depletes no raw materials in this country, because our forests and streams, our fish and game, can be preserved by intelligent conservation methods for generations to come. The tourist business, in the main, consists of accommodation and personal services for several million travellers each year; travellers who return to their own countries as the most effective ambassadors of good will it is possible to obtain.

Both 1948 and 1949 have been record tourist years. There are signs, however, that

the days of the easy tourist dollars are disappearing. Competition in the travel business is friendly, but is none the less intense. In the year 1948, for instance, tourist promotion agencies in the state of California spent over $900,000 on advertising and publicity, more than the entire advertising appropriation of the Canadian government travel bureau. In that same year, other states of the union spent over $5 million on travel promotion on their own behalf. In addition to this United States competition, Canada must face competition provided by some 46 foreign governments which maintain travel promotion offices in the United States.

The advertising budget allotted to the Canadian government travel bureau to further this important industry, our second ranking source of United States dollars, was $820,000 for the 1948-49 fiscal year. It is $895,000 for the 1949-50 fiscal year, or less than one-third of one per cent of the annual revenues. All Canadian travel promotion organizations, including the travel bureau, the provincial tourist bureaux, railways, steamship lines, and other transportation interests last year spent $2,500,000 on advertising in the United States, or less than one per cent of the 288 million United States dollars the tourist industry brought into this country. Considering the size of the job, and the amount of money available, the Canadian government travel bureau's advertising campaign has had results which in many respects have been phenomenal. In 1949 the bureau handled 321,751 individual inquiries. The tourist industry of this country broke all its previous records in both 1948 and 1949, and it now looms large in the Canadian economy.

This travel movement across the United States border is far from being one way, however. The success of our competitors' own advertising is demonstrated by the all-time high of travel spending by Canadians in other countries in 1949. They spent $164 million on pleasure travel in the United States during the year, according to the bureau of statistics, and $27 million in other countries. This total of $191 million was a new record. Travel business is not restricted in importance to those directly engaged in serving the tourist. It is a business which puts new money into the pockets of every Canadian, whether he be a farmer, a railroader, in fact, everyone, because everyone depends upon the general prosperity of our country for their livelihood. It puts money into the treasury of our federal government, and every provincial government in this country. It seems fair to suggest that this important industry's welfare is the concern of every Canadian.

We have a wonderful country to offer on the travel markets of the world. It has a land area of three and a half million square miles, with more than half of the world's fresh water; a wealth of scenic beauty; rich reserves of fish and game, and an incredibly varied climate. Perhaps because of this, the travel business is one which does a very respectable job of furthering its own growth; however, that does not mean it merits the neglect which it sometimes encounters in the minds of those who take it for granted. In such a competitive business, this is an unwise, even a dangerous attitude. A business that brings more than a quarter billion of new money into this country in a single year calls for the same kind of realistic attention we give our other export activities.

We must remember also that our problem with respect to the United States, which is the greatest travel market in the world, is a peculiar one. The average Canadian knows a great deal about events in the United States; he cannot help it when he reads his newspapers, his magazines or listens to his radio. Unfortunately, he does not always realize how little the average citizen of the United States knows of affairs in Canada; yes, indeed, how little his neighbours know of the simple geography of this country. Therefore, the travel business does both a public relations job and an information job for Canada.

Our game and fish, our forests, all help tell the Canadian story in the simplest and most fundamental manner. The courtesy of our people to the yearly influx of vacation-seeking visitors is becoming a byword across the border. It has done much to sell Canadianism in the United States, but it is a story that needs telling in many different forms, and none of them deserve neglect or indifference. We shall never fully realize the value of the tourist industry to this country until the day when it might be lost. That day will never come if due attention is paid to this basic enterprise. So I would urge the government to pay special attention to the development of this very important industry. True, the government is assisting in various ways. One could not cite a better example than the completion of the trans-Canada highway. Surely nothing is more important to our visitors than good roads. But, I repeat, the Canadian story needs telling in many ways. This government can do this by extending the budget of our Canadian travel bureau; and in so doing broaden its facilities. It is my prediction and my sincere hope that, in the not too distant future, the Canadian travel bureau will have an annual budget of $5

million, and our tourist industry will be pulling a billion United States dollars into Canada every year.

Mr. Knowles: Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is now before the house a new subamendment moved by the hon. member for Peace River (Mr. Low). I rise to make a few comments on behalf of this group with respect to that amendment, and also with respect to some of the things that the hon. member for Peace River said in his speech this afternoon, with which I thoroughly agree. I have at least one other purpose in re-entering this debate at this time, which I shall state a little later on; but before I go further, so as to have the record perfectly clear, I wish to re-state our position with respect to this important question of old age security, which has been pinpointed again by the amendment moved by the leader of the Social Credit group. We in the C.C.F. believe in, and advocate for all we are worth, a program of over-all social security. We believe that that program should provide protection for all Canadians against all the exigencies over which they have no control. To be specific, it must include unemployment insurance, health insurance, sickness benefits, adequate old age pensions without any means test, and so on. We have said a number of times, but I repeat it to make it clear, that when that program is on an over-all, all-inclusive basis, we are prepared that there should be collected a special tax to help provide for its payment.

I want to make it equally clear, however, that when the talk is about a one-point single coverage proposition, such as old age pensions only, we do not support the so-called contributory idea. I shall have something more to say about that, but I think it is extremely interesting and valuable that so much discussion on this subject is now taking place not only in this house but in the press and throughout the country.

I have already indicated what we believe to be the objective towards which this parliament and this country should be striving. We recognize, however, that it will take time to achieve an over-all scheme; that there are certain steps that may have to be taken stage by stage. Among the reasons that that is so is the far-flung nature of our country, the various sectors that comprise our economy and our dominion-provincial set-up. That being so, if we are to be practical we should face the fact that it is our responsibility as individual members of this house, it is our responsibility as a parliament, it is the responsibility of the government, to think in terms of the next step that can and should be taken right now. What we are going to get in the immediate future is not the over-all plan, the ultimate ideal, towards which some of us have been working and will continue to work until we get it; what we are going to get soon—I hope—is one or two next steps. It is because that is the actual situation we face that we take the time that we do—and we take it deliberately—to impress upon the government our conviction that the first step now to be taken should be the removal of the means test and putting the old age pension on a basis of universality.

When we advocate that, we are conscious of other improvements that need to be made; that the amount needs to be increased; that the eligible age limit needs to be brought down, and this should not be forgotten, even at this session. But if there is to be one next step, that step should be the removal of the means test from the present old age pension.

The amendment that is now before the house, as moved by the hon. member for Peace River, in so far as its first point is concerned, does two things. On the one hand, it turns attention to what I am just now talking about, namely, the need for getting rid of the means test from the present old age pension. The other thing that it does is to confront this house with a vote on one of the cardinal elements in the dominion government's proposals of 1945. The amendment moved by the hon. member for Peace River asks that the word "contributory" be taken out of clause 2 of the amendment of the leader of the opposition (Mr. Drew). When that word is taken out it will leave clause 2 reading as follows:

> We respectfully submit to Your Excellency that Your Excellency's advisers have:
>
> (2) failed to take steps to inaugurate a national system of old age pensions without a means test.

I would remind hon. members opposite, and hon. members opposite in particular, that this is the very wording that was used by the federal government to describe its old age pension proposal in 1945. It was a national old age pension payable to all at age 70. That was the heading put on it; and, in the detail describing it, it was clearly set out that it was to be a pension without any means test whatever. Here is what it says on page 37 of the proposals of the government of Canada as contained in the green book of 1945:

> National old age pensions at age 70.

The statement under that heading is that it was to be paid at a uniform rate, regardless

of means, to men and women aged 70 and over in all parts of Canada. I submit to members of the Liberal party that before they lightly vote against the amendment that is now before the house, just because it happens to be moved by the Social Credit group, they realize that if they vote against it they are voting against the very proposal that was made by the federal government to the provinces in 1945, one of the important proposals included in those that were reiterated by the Liberal party at its national convention in 1948, and one of the proposals that all of the Liberal candidates went to the country on in 1949, namely, that that offer still stood.

Now, Mr. Speaker, I stress the fact that what is before us now is the proposal which was made by the federal government to the provinces in 1945. I recognize clearly, as I have said before, that when that proposal was made in 1945 it was conditioned upon certain tax agreements. It was not conditioned upon any constitutional changes. That was made very clear by Mr. Mackenzie King at the meetings in 1945 and 1946. What was said on that point may be found at page 388 of the book in which those discussions are reported. There you will find the statement made by Mr. Mackenzie King in April of 1946 to the effect that the government's proposals in their entirety involved no constitutional changes, with one exception, and that one was to be a proposal for a reciprocal delegation of powers between the dominion and the provinces.

But there was to be no constitutional change, so far as social security measures were concerned. That proposal of 1945 was worked out clearly in a way that would not require a constitutional change. And I submit there is no need today to talk about waiting until we have solved the method of amending our constitution, and waiting until—still later—there have been amendments to the constitution, because there is still before the country the substance of the proposal made by the federal government in 1945.

Mr. Gillis: Just an alibi they are using.

Mr. Knowles: I wish to say again what I have said before, that I give credit to the federal government for the soundness of the proposal they made in 1945. I have said it a good many times, and I hope my approval of it is not turning the government away from it. The people of Canada still remember it, and agree with it. Indeed there is an essential soundness in the original proposal. It needs to be amended in really only one important particular—as to the amount. That $30 figure of 1945, when taking into consideration the rise in the cost of living index from 1945 to 1950, should now be something over $40.

So all the government has to do to have a sound proposal to put before the country today is to take the proposals of 1945, amend the $30 figure to $40 and give to the people of Canada an old age pension of at least $40 a month payable to all at age seventy, without a means test. Then the other proposal is still there for pensions for those from sixty-five to sixty-nine as well.

For a few years we heard a good deal about the alleged refusal of some of the provinces to enter into a tax agreement. We were told many times that that was the reason those proposals could not be put into effect. We do not hear so much about that today. I wonder if it is because of the pleasant atmosphere of the conference which took place in this chamber in January of this year. Prior to that the government could always talk about the fact that two provinces had refused to agree, and that always seemed to be a sufficient alibi—at least to the government. Today, however, it appears that the provinces are a little more friendly to the idea of finding ways and means of adjusting our dominion-provincial difficulties. We do not hear so much about that phase of the matter now. We hear, rather, the sort of remark that we heard from the junior member for Halifax (Mr. Dickey) and again this afternoon from the hon. member for Nipissing (Mr. Garland) that you have to consider the cost involved, and that you have to consider whether or not the government ever offered old age pensions without a means test, unless there was attached to it a contribution, which I have dealt with on a previous occasion.

It was very clear in the 1945 proposals that any financing that would have to be done was to be done by a modification of the income tax. There was to be no constitutional change—and I am sure when the government said in 1945 that there was to be no constitutional change it had in mind the fact that back in 1925 the Department of Justice had given the federal government a ruling, and that that ruling was that you could not impose a special tax for social security purposes without having an amendment to the constitution.

So the government in 1945 no doubt had that ruling in mind when it said, "we have worked out a scheme which can be implemented without any constitutional change." They also said in 1945, and repeated it in 1946 and 1947 and 1948, that those proposals were worked out on the basis of considerable study, and that it was a plan that would hold together and work.

That proposal, in effect, is what is before us in the subamendment moved by the hon. member for Peace River (Mr. Low), because in his subamendment he asks us to change the wording of the main amendment before us so that we will be voting for a national system of old age pensions, without a means test.

The amendment of the hon. member also draws particular attention to the use of the word "contributory". I think it is valuable that there has been a great deal of discussion in the house and in the press and throughout the country about that word. I think a great deal more discussion is necessary, and a great deal more thinking before some hon. members get it all sorted out. In my view it is a word that is being used sloppily, and for various motives.

I wish to support the views expressed this afternoon by the hon. member for Peace River when he said that the only way in which we can pay for social security at any time is out of current production. He made that very clear this afternoon—and it is exactly what the hon. member for Vancouver East (Mr. MacInnis) has said a number of times. By the way, I commend the remarks of the hon. member for Peace River to his colleague the hon. member for Macleod (Mr. Hansell), because he did not seem to like what was said the other evening by the hon. member for Vancouver East. However, that is only by the way.

That point must be driven home, and we must think about it. It is fundamental to the whole concept of social security; because when today old age pensioners are living on their old age pensions, or when people are living on pensions from private industry, or from civil service pensions, or whatever it may be, they are not living on dollars and cents; they are not living on pieces of paper; they are living on a portion of the production of today's economy. What we are doing is to permit a portion of current production to be used for a socially desirable objective—to provide some sort of retirement for some of our older people.

The tragedy is that we have not reached the point where we can decide as a nation that we are going to set apart a sufficient portion of the production we are now producing to provide adequate retirement for all our old people. Similarly in the year 1990 or 2000 A.D., as the hon. member for Peace River said this afternoon, people who are now 20 or 30 will be retiring. They will not live on credits in some insurance office, or at the annuities branch, or in some new office where records are kept. They will not live on dollars and cents, on cheques, or paper; they will live on goods and services out of the production that is current in the year 1990 or in the year 2000.

The reason it is important for us to realize all this is so that we will not use this word "contributory" in a sloppy fashion. Too many members in the house seem to think there is some magic in that word. They seem to have in mind that if individuals, on a contract basis, put aside so many dollars a month or so many dollars a year, across the years, in some magic way they will be able to retire without a means test when their working years are done.

Well, as the hon. member for Peace River pointed out, that depends upon the economy of that day, the value of the dollar in that day and, in the final analysis, upon what society in that day is producing. That means this, that the only use of the word contributory that is realistic is as it is used in current terms. We are all contributing today to old age security, such as it is, which some of our old people enjoy. We contribute to it out of the wealth being produced today. And when some of us are old and retired, if we are on an old age pension at that time, we will be enjoying a portion of what is produced at that time and contributed to our retirement, in the goods and services we will consume, by the people who are working in that day.

The quid pro quo of this is that people who are working today should in any decent and sensible society contribute toward the security of people who need it today and, in turn, we will get the same consideration from the people who are working when our day comes to retire, and so on. I plead with hon. members to think of this whole business of social security in those terms rather than in the private life insurance company terms which envisage people simply paying contributions into a fund and somehow magically being able to retire at a later year.

As a matter of fact I hold in my hand the current tables of the annuities branch which are contained in sessional paper 64-A tabled on Wednesday, March 8, of this year. It occurred to me that it might be interesting to look into this to see what it would cost on an annuity basis for a person 25 years of age to try to provide for retirement 40 years from now on a direct contributory basis. Surely that is a long enough period in the twentieth century to ask people to work.

If a young man 25 years of age wishes to try to provide an annuity of $100 per month at 65, which I hope would not be unreasonable for a man and wife 40 years from now, the rate for males would be $15.24 per month, which would have to be paid every month

for 40 years. If a woman aged 25 years was seeking to provide $100 per month at age 65 she would have to pay $17.64 per month for 40 years. If you think in terms of a man and wife both aged 25 years who are seeking to buy an annuity of $50 each so that they would have $100 as long as they were both living and $50 when there was only one survivor, the average of the figures I have given would amount to $16.44 per month for the 40 years.

Even if you put it on a split basis and divide the cost among employer, employee and the government on a 40-40-20 basis—I use that figure not to propose it but simply because it is the unemployment insurance basis—you would be asking people to contribute $6 or $7 per month for 40 years, and employers to do the same. That amount would be the required contribution to a contributory scheme on a direct individual basis. In terms of the wage rates of our people, in terms of the income of farmers across the years, it would be impossible to impose such a payment on all our people. Those who are saying that we cannot afford to remove the means test without putting it on a contributory basis might as well realize that they are saying to the people of this country that we cannot get rid of the means test. If you are putting it on a direct contributory basis, the cost to the individual is clearly prohibitive.

Someone may ask, and it is a fair question: If you cannot do it that way, how are you going to do it? The fact is that if you are going to have a proper retirement allowance for old people, bearing in mind that the people cannot pay for it themselves out of the wages they are now getting, what you absolutely have to have is a certain amount of redistribution of wealth in favour of social security. The justification for a redistribution of wealth in favour of social security is that people who are earning wages of $30 or $40 a week cannot afford to buy their own old age security and yet they are producing wealth far in excess of what they are getting. I assert that those who are trying to push forward an individual direct contributory idea are simply trying to stem the tide of the redistribution of wealth in social terms such as I am suggesting to the house right now.

I urge strongly that members face up to these facts and realize that the only possible way to get proper social security is to build it into the income tax structure whereby people will pay for the total cost of government, including social security, on the basis of ability to pay and then, as a matter of right, draw their pensions when retirement is reached.

That is our position. It is because of that philosophy, it is because of that analysis, which I submit is fundamentally sound, that I take up the time of the house at this stage of the debate to urge the government to consider the fact that they should be bringing in a proposal to amend the Old Age Pensions Act in such a way as to eliminate the means test and put it on a universal basis. I ask the government to go back and read their own material submitted to the dominion-provincial conference. I ask them to read their own assertions that amendments to the constitution were not necessary, that a plan had been worked out on the basis of study, a plan that would work, and that it would be brought into effect with the least possible delay.

This afternoon the hon. member for Nipissing (Mr. Garland) made a most interesting speech and I think we all enjoyed the way in which he was so hesitant about telling us of the beauties of his constituency. Apart from that he went on to say that those who were advocating the removal of the means test were bringing hardship and misery to our older people. May I tell him that the hardship and misery that our older people are suffering is more real than that; it is the reality of the means test that is really hurting them. They are suffering, too, from the kind of thing that is being said in newspapers and in this house which leads them to believe that they are not going to be relieved of the means test unless the plan is put on a contributory basis. I do not know whether many people have seen annuity tables such as those I hold in my hand, but even if they have never seen such figures they realize that with the incomes they get they simply cannot afford to make the contributions necessary to provide for their old age security.

In the light of what I have said, it is obvious that we shall support the amendment moved by the hon. member for Peace River. I think all hon. members in the house should support it, and I think that Liberals in particular should support it because it gives them a chance to vote for the old age pension proposal of 1945 which they reiterated with such fanfare in their national convention of 1948.

I said earlier that I rose for at least one other reason, and I turn now to deal with it. I hold in my hand a couple of press reports, both written by the same writer but appearing in different papers. They both refer to a speech I made in this house during this same debate, back on March 6. One report appeared in the Winnipeg *Free Press* of Thursday, March 9, 1950, under the byline of Chester Bloom, and the other appeared in the

Free Press Weekly Prairie Farmer of March 15, 1950, also written by Chester Bloom. The article in the Winnipeg *Free Press* reads:

Pension Issue Bares Rift in C.C.F. Party
By Chester Bloom

Ottawa, March 9 (Special)—Mr. M. J. Coldwell, C.C.F leader, Wednesday attempted to smooth over indications of splintering in the C.C.F. group in the House of Commons.

The general C.C.F. policy has been to go along with the Liberal government against the Progressive Conservatives on questions involving expansion of social security.

Stanley Knowles (Winnipeg North Centre) Monday seemed to strive to create a direct breach with the St. Laurent cabinet. Again and again, he berated the Prime Minister for allegedly breaking the "promise" of August, 1945, of old age pensions for those 70 years and over without means test. He included other ministers in the attack.

The article goes on to suggest that there is a rift or division between my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), and me over this issue. The irony of this story is that when you compare the quotations from my speech and from what my leader said there is no difference whatsoever. Mr. Bloom goes on to state:

Mr. Coldwell said Wednesday his party's platform backed the contributory plan but only on an over-all basis—that is, including health, sickness benefits, hospitalization, unemployment insurance and old age pensions without a means test.

The party did not want old age pensions put on a contributory basis separately from the other social security planks.

That is exactly the position that I took; indeed it is exactly the position that Chester Bloom says I took. He said that I gave the impression we are pulling away from supporting the Liberal party because while we support a contributory over-all social security plan we are not prepared to accept a contributory one-point social security plan. That is exactly my position, the position of my leader, the position of this group and of this party. I suggest that sort of journalism is not very responsible, especially when the story fails to bear out the heading and the opening paragraph.

In the same article Mr. Bloom says:

Mr. Knowles carefully avoided mentioning that this so-called "promise" actually was a proposal conditional on all provinces accepting the complex dominion-provincial agreements of 1945.

May I ask Mr. Bloom to look at pages 472, 473 and 474 of *Hansard* for March 6, and he will find that on at least three occasions I referred to the fact that the original proposals had been based on the tax agreements, but I pointed out—and this was my complaint—that the government was no longer using the refusal of certain provinces to agree to these taxation arrangements as its excuse for not going ahead, but rather it was now saying that it had never proposed old age pensions without a means test except on a contributory basis.

Not content with that irresponsible and completely erroneous story about a rift in this party over the question of social security, which it is really ludicrous to even suggest, Mr. Bloom rewrote his article in a longer story which appeared in the *Free Press Weekly Prairie Farmer* of March 15, 1950, and he really went overboard this time. The heading is:

They say at Ottawa.

The subheading is:

Mr. Knowles re-words the communist doctrine.

Things have got to a pretty bad state in this country when you have to start throwing the word "communist" at a person because he advocates the removal of the means test from old age pensions. That is just how bad it is. I am amazed at even the *Free Press* doing that. The last time they used the word "communist" in connection with my name they apologized within two days. Mr. Bloom not only repeats part of what he said in the article in the daily *Free Press* but also goes on to say:

Actually, the most important utterance of Mr. Knowles can be found on page 475 *Hansard*, March 6 last. How close C.C.F. speakers approach communist doctrine in the heat of debate was illustrated by that remark. Mr. Knowles said he believed (his own opinion)—

It is substantiated by the green books I have on my desk.

—that the federal government in the dominion-provincial agreement proposals of 1945 had in mind adjustments or increases in the income tax to pay the total cost of old age pensions without a means test out of the federal treasury. Then he added—

This next paragraph is in black face type, in quotation marks, and is directly from me.

"That would be a proper scheme because it would envision people paying according to their ability to pay and drawing the old age pensions at the proper age as a matter of right."

That is the end of Mr. Bloom's quotation from me, and the next paragraph reads:

That phrase, obviously, is merely a rewording of the fundamental Marxian communist doctrine: "From him according to his ability and to him according to his need." Realistically, it means taking the property and possessions of people who have them and giving them to people who do not have them.

I should like Chester Bloom and others to note the paragraph which he quoted from what I said, and by which I stand as a statement of something fundamentally sound. Then I should like him to compare it with this statement which I am now going to read. It is as follows:

What we mean by a contributory old age pension scheme is a scheme whereby all Canadians will contribute each year to a fund for old age pensions

and where old age pensions will be paid out as a matter of right to those who will have attained the pensionable age.

That is exactly the same doctrine, that all of us should pay into a fund and that we should then draw our pensions as a matter of right at the pensionable age. This speaker went on to spell it out even more clearly. He said:

Some of us won't have long to go—

This man is in his late sixties.

—and won't have many payments to make before we get ours, but it is a system that will go on continuously and will mean no unfairness to those who will start at the age of twenty or twenty-one and who will continue to pay into the fund until they reach pensionable age. It will be a pension of an equal amount for everyone at pensionable age to which everyone of taxable age will make a direct contribution.

There it is, another way of stating exactly what I said, that what is meant by a proper old age pension scheme is one into which we all pay, all of us who are taxable, all of us who can afford it whether we are sixty-eight or twenty-one, and in return for having played our part in contributing to the providing of social security in the days when we were working, when we reach pensionable age we draw a pension as of right at a flat amount, the same amount for everybody, without a means test.

I ask Chester Bloom this question. If he insists on saying to the people of western Canada that my statement was a rewording of communist doctrine will he not say the same for the statement I have just quoted, which is that of the present Prime Minister (Mr. St. Laurent) speaking in Vancouver on April 14, 1949? The statement he made was not something the Liberal party wanted to forget because they gave it permanent form in the fall issue of their quarterly publication, *The Canadian Liberal*. The fact is that both statements are fundamentally sound.

I submit again that this sort of journalism is the kind that brings freedom into danger, and that even the *Free Press* should not indulge in that sort of thing. When these articles first appeared I thought of rising in the house on a question of privilege, but I felt that perhaps it deserved even more than that. To return to what I said earlier, I want to add that what bothers me about articles of this kind is not only the irresponsible journalism involved therein, and the misstatements to which I have drawn attention, but also that what is going on here is an attempt in many papers—I saw it in the *Globe and Mail* a few days ago—to tell the people of Canada that they cannot have the removal of the means test until our whole pension plan is put on a direct contributory contract basis. If we have to wait for that we will never get it, at least not for all our people. If we have to wait for that you have to think in terms of the figures I gave from the annuity tables. If you are thinking of that you are asking for the kind of system they have in the United States where, despite some of its good features, it is providing, as the Minister of National Health and Welfare (Mr. Martin) said the other day, only ten per cent of their retired people with a pension as of right, leaving many thousands still on a means test basis.

In other words, it all adds up to the clear position that if there is to be one next step, as is the case in practical politics, that next step should be the removal of the means test from the present old age pension. Let us have along with it, if we possibly can, the lowering of the age, but certainly let us have a revision of that $30 figure of 1945 into a figure of at least $40 for 1950. I call upon the government of the day to implement the sound proposal they made at that time.

Some hon. Members: Time.

Mr. Knowles: I know that hon. members are calling "time", and I am going to sit down shortly. Nevertheless I suggest to hon. members that they think very clearly before they vote on the amendment to the amendment of the hon. member for Peace River (Mr. Low) because what they are being asked to vote on is their own government's proposal of 1945, reiterated in their convention of 1948, promised to the people of their constituencies in 1949, and promised by many of them in the language the hon. member for Vancouver Centre (Mr. Campney) used when he said that he would fight for it here in this house. I suggest the least they can do is vote for it when they get the chance to do so.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, this particular portion of the debate has been headed, as hon. members know, by the amendment of the hon. member for Peace River (Mr. Low) which in the first place strikes out the word "contributory" from the Conservative amendment, indicating that Social Crediters are opposed to the contributory idea in respect of old age pensions and social security, and especially old age pensions which are under discussion at the present time. The last portion of our amendment reads:

The government has . . . failed to adopt measures adequate to establish in our country a balanced economy wherein Canadian consumers are constantly supplied with effective purchasing power sufficient to enable them to buy Canada's total production, if they so desire.

I am inclined to think this particular portion of the amendment sets us at variance

with every other party in the house. I am not sure what view the C.C.F. would take of that portion; but Social Crediters take the view that a government is failing in its responsibility if it neglects to enable its own people to buy all the production which is brought about within the nation. As soon as it fails to provide purchasing power with which the people can buy its own production, it fails to provide purchasing power with which the people can buy the goods the country can trade its production for. This creates a shortage of purchasing power in the country, which tends immediately to surpluses, unemployment, falling prices and all the other evils which characterize a depression. That is the Social Credit stand; we have made it perfectly plain.

Now may I turn to a matter which I believe had better be cleared up before we go much further. During the course of his speech the hon. member for Peace River (Mr. Low) made a remark which indicated that money could be gotten out of production; at least that was the interpretation placed upon the expression by the hon. member for Winnipeg North Centre (Mr. Knowles). Before confusion arises I believe it would be well to quote the exact words of the hon. member for Macleod (Mr. Hansell) the other night, to illustrate exactly the difference between the Social Credit idea of getting money out of production and what I conceive to be the C.C.F. and Liberal idea of how to get money out of production. I am going to read several statements made by the hon. member for Macleod at page 671 of *Hansard,* in dealing with a statement which has been repeated several times by the hon. member for Vancouver East (Mr. MacInnis) and which was referred to with approval by the Minister of National Health and Welfare (Mr. Martin), which I take it indicates that the minister approved the attitude adopted by the hon. member for Vancouver East. Here are the words of the hon. member for Macleod:

> We believe that money must come out of production. We Social Crediters believe that, but the interpretation as to how he should get it out of production is entirely different from ours. The hon. member for Eglinton (Mr. Fleming) also said the same thing. Of course he amplified his remarks a little bit. He said it has got to come out of national income, and that of course if there were a Conservative party in power they would follow policies leading to the highest national income. But that was talk, because he did not say what policies they would pursue, and I am saying to him—

Then some interjections took the hon. member away from that line of thought. Later, at page 671, he used these words:

> The war was fought out of our national production and not out of our national income, because there had to be an expansion and the creation of $4 billion during the war, and yet the war was fought out of production, not income.
>
> [Mr. Blackmore.]

If I might stop there, just to amplify the hon. member's statement for a moment or two, I believe it will help clarify the matter. If we had not had sufficient production in Canada to enable everyone to get all he needed to eat and wear and keep him warm, we could not have fought the war. We had to have enough production for that. If we had not had enough production to support our armed forces we could not have fought the war. So we fought the war out of production. But in the course of the war we went into debt to the extent of billions of dollars beyond our national income. During the war billions of dollars were created by the banking system. Those dollars were away beyond our national income and did not in any direct way comprise part of our income, which I think makes the meaning of the hon. member for Macleod quite clear. Then I want to quote one or two more remarks, also at page 671:

> Furthermore, let me ask the minister this. If he believes what he said, let me take him back to the period of the thirties just as an illustration, and it is apt to happen again. It is beginning to happen now. Here are goods piled sky high on the shelves of our warehouses, on the shelves of our department stores, and rotting on the ground. That is high production . . . Let him tell me how he is going to get money out of that production.

I would pause there to point out that just as soon as the Liberals or Conservatives devise a means whereby they can get money out of that kind of production they will be on their way to a better world; and success to them. Obviously if the production is there and you can get money out of production, there should be a way whereby that may be done. I submit there is only one way under the sun by which you can do it; that is by creating debt-free money to represent the production and thereby turning the production into money. Now I continue quoting from the remarks of the hon. member for Macleod:

> There is the production. Does the government get money out of it? No, they do not do that. They destroy the production. Does that bring them money? In the United States they dye their potatoes blue. Does that bring them money? These are the questions I am asking the hon. gentlemen who say the only source of money is production.

If the hon. member for Macleod were here he would ask the hon. member for Vancouver East—and that hon. member would be able to answer, because I think he has another chance to speak during this debate—does the hon. member for Vancouver East see how he can get money out of that kind of production? And is that what he means by getting money out of production? Or does the hon. member for Vancouver East believe he would have to take the money out of the pockets of the poor fellows who toil to produce the production, in other words tax it away from them? If he thinks that, his idea

is just about as far away from social credit ideas as twice the distance between the poles. If the money could have been got out of production by means of his idea applied during the depression, why was it not done? Why did the United States destroy hundreds of thousands of pigs and cattle? Why did they pile oranges in vast heaps and burn them? Why did they plough under cotton, if people could get money out of that production? They could have got money out of it if they had understood social credit and realized that money is only the reflection of production, that a financial system should reflect the actual facts of the productive system, which is common sense. If they had realized that and had been prepared to create and use debt-free money to represent their surplus production they could have got themselves and the world out of that depression without having to go to war with Hitler to do so.

There are the quotations from the remarks of the hon. member for Macleod! Now may I just say a word or two further in this same connection. I wish to use some figures so the whole thing will be on *Hansard* and hon. members can read it and contemplate it. Before I do so, however, I would urge that up to the present time there has not appeared the slightest hint of a suggestion from anyone on the government side—except the Minister of Fisheries (Mr. Mayhew) the other day, and all honour to him—as to how we are going to get out of the difficulty we are in. Surely the members must recognize that the government, for all their talk, have been worse than useless in the matter, because they have not even gone as far as the Minister of Fisheries. There has to be a solution to this difficulty. We have to be able to sell goods to Britain. We have to be able to distribute goods abroad to other nations that lack goods. We have to be able to distribute in Canada our goods. We cannot compete in the wild scramble for world markets with a rehabilitated Germany, a rehabilitated Belgium, a rehabilitated France, and a rehabilitated Japan. Japan is already threatening us with the shirts that were mentioned here in today's proceedings. We cannot enter into competition with these people. If we do, we shall be in the midst of commercial warfare which will result, beyond any shadow of doubt, in military warfare. We shall be to blame for that, because we shall have failed in this hour of need. We cannot sit here twiddling our thumbs without finding a solution; we have to find the solution. I am using the following illustrations to help members see, to some extent, what the social credit idea is.

According to government documents, in the year 1918 the United States produced $60 billion worth of goods. All the money that went into circulation in the United States in wages, salaries, dividends, and every other possible means, in that year was $45 billion. This meant that there were $15 billion worth of goods in the United States for which there was not purchasing power. Following the reasoning of the member for Vancouver East (Mr. MacInnis), and the Minister of National Health and Welfare (Mr. Martin)—who is not in his seat—I imagine what those gentlemen would try in such a situation would be to take tax money out of the $45 billion of purchasing power, in order to enable them to distribute the $60 billion worth of goods. It is exactly that kind of situation which the Liberals are facing, and which every government in the world is facing, if these governments persist in maintaining the financial system which is in use today. There is talk about redistributing income. How can you redistribute $45 billion worth of income to make it buy $60 billion worth of goods? As the Minister of National Defence (Mr. Claxton) reminded us the other night, you can spend a dollar only once.

What would have been the attack of social credit under these circumstances? Social credit would have said: We have $15 billion worth of surplus goods here. The backing of money is goods; money is only a ticket for goods. Where the goods are the money surely can be, because money is only a ticket for goods. It is only a means of distribution, and where distribution is to be accomplished, surely the means can be created, just as readily as you can create a handle to carry a trunk once you have the trunk. Now, how can you get money out of that surplus $15 billion worth of production? I have mentioned the creation of debt-free dollars to enable the people to buy these goods. It would be very much the same as Lincoln did during the civil war in the United States. It may not be well known to all hon. members of the house, but Lincoln created $450 million worth of greenbacks, debt free, during the civil war. He created that money at a most inopportune time, because many production facilities were, in a large measure, in disorder. A great number of his best producers were engaged in the war; fighting was raging back and forth over some of the finest production areas in the United States. Surely, if at such a time he could create $450 million without causing inflation, he could do better than that in times of peace.

Why was Lincoln able to create $450 million worth of purchasing power? Because there were enough goods to back it or absorb it when he spent it. So, the Social Crediters

would say there were surplus goods, $15 billion worth of them, which would serve as a backing for the creation of debt-free money. I think that makes quite clear what is meant by Social Crediters, when they speak of the creation of money out of production. They do not mean stealing it out of the pockets of the people who are toiling to produce, because that only decreases the purchasing power in the country, and makes the whole economy worse off.

The member for Peace River (Mr. Low) mentioned this afternoon money for old age pensions, and I shall try to interpret what he said. The member is sitting right here, so he can testify as to whether or not this is what he meant. When he spoke of getting money by deduction out of production, he meant that the money saved up for old age pensions say over 20 years, starting say in 1950, will be spent in say 1970, thereby using part of the production of 1970. May I ask the member for Peace River, in your presence, Mr. Speaker, if that is so.

Mr. Low: That is true.

Mr. Blackmore: That is another meaning entirely than the one which the member for Winnipeg North Centre (Mr. Knowles) took from the hon. member's remark.

Now I desire tonight, in the time at my disposal, to discuss the whole question of sound money. We have to face this thing first or last, Mr. Speaker, and we had better face it first. It should be faced right now. If there is not any truth in the social credit contention, then we invite the 262 members of this house to prove it. The case is clear, and hon. members are welcome to say anything they desire. If we cannot answer every one of their questions, then it will be time for them to wonder whether our ideas about sound money are correct. In the meantime, we are going to talk about sound money.

Mr. Pouliot: Try to prove that your money is sound first, and then we shall listen to you attentively.

Mr. Blackmore: Good, I think we shall prove it to you. In fact, I think I have proved it already by the illustration of the $45 billion and the $60 billion in the United States, and the illustration about the $450 million in greenbacks in Lincoln's time. I believe all reasonable men will admit that is proof.

May I begin by quoting from the words of our Prime Minister (Mr. St. Laurent), as they appear at page 58 of *Hansard*:

> And that is not just a problem of convertibility.

He is talking about taking sterling in return for our goods.

> The dollars or pounds are merely symbols;

[Mr. Blackmore.]

Admirably said; the Prime Minister is beginning to grow in wisdom.

> . . . and unless there are the commodities available that those dollars or pounds would call for, they are of no immediate use.

Since the Prime Minister is in the house, I wonder if it would be fair to ask him if the converse of his statement would not be true also? If the symbols are no good without goods, then if the goods are there can we not create the symbols?

Mr. Pouliot: Do not be too scientific, or we will understand nothing.

Mr. Blackmore: If I am not completely scientific, then you will say I do not know what I am talking about. I shall stay with science.

Mr. Pouliot: I admire the hon. gentleman, and he knows it.

Mr. Blackmore: I appreciate that greatly, but I shall stay with science; that is what I am going to do tonight.

Mr. Pouliot: Not too much of it.

Mr. Blackmore: Not too much, but not too little of it, either.

After quoting from the Prime Minister, may I draw this conclusion? If money is only a symbol of goods, and we now have more goods in Canada than we have symbols to distribute, why can we not create the symbols without borrowing them from the bank or anybody else? The bank creates them, and then we borrow them and put ourselves in debt by paying interest to the bank. Because we do not feel free to borrow enough, we cannot pay our old age pensioners what they ought to have.

Some discussion is going on in the country now about money. We notice this year that the *Financial Post* has stepped into the picture, trying to discredit what the Social Crediters are going to say, before they had a chance to speak. The hon. member for Peace River (Mr. Low) dealt with that in his first speech.

Now we have the Toronto *Star Weekly*, an admirable paper in many respects, probably quite honest—I am assuming it is quite honest—in its February 25 issue carrying an article by Robert Nielsen from Ottawa, so it is supposed to be authentic. This article is called "It's only money." May I quote several passages from Mr. Nielsen's article? Near the beginning he says, in speaking of the history of Canadian money:

> In the intervening four centuries, there have been more kinds of funny money than a Social Crediter could think up in an opium dream! Leather bills, playing card notes, silver dollars with holes in them, coins in halves and quarters.

I suppose the thing that made the article acceptable and salable was the silly little sneer about funny money and Social Crediters. I hope that was not the reason why the Toronto *Star Weekly* put the article in; there is no group of people in the world today that appreciates, advocates and understands sound money more than Social Crediters do. The money they propose is as far from funny money as it can possibly be. Further on he uses these words:

According to James E. Coyne, Donald Gordon's successor as deputy governor of the Bank of Canada, our money today has value because its quantity is limited. It's pretty obvious, says Mr. Coyne, that if the amount of money in circulation were infinitely increased, its value would decline to very near that of the paper it's printed on. He, therefore, defines it as one of the key functions of the bank to see that money remains reasonably scarce.

As if any poor lunatic had ever advocated "infinitely" increasing it. I suppose the article was rendered salable once more because of this reference to "infinitely" increasing it, as though anyone had ever advocated anything like that in Canada.

Mr. Pouliot: May I ask a question?

Mr. Blackmore: Yes.

Mr. Pouliot: What would be the symbol of the infinite quotient for his sound money?

Mr. Blackmore: I think probably you and I had better call up Mr. Coyne tomorrow and ask him.

We will get it together and we will both be sure that we are right. Further on the article says:

The resourceful Hudson's Bay Company solved the exchange problem by issuing its own copper tokens, based on a beaver skin as the standard of value. The largest coin represented one beaver pelt, a second one-half a beaver pelt and the smallest one-quarter of a beaver pelt. If Ojibway Indian Joe Hoot Owl brought in a beaver but wanted only a clay pipe from the company store, the company could give him three quarter-tokens change, good another day.

There is Canadian money. In this case the symbols were created beyond question. They did not have to borrow them from any bank. The article goes on:

But the governors of New France had no means of coining money, and it wasn't long before they were forced to improvise. And their innovation was a dandy. In 1685 the intendant, Jacques de Meulles, strapped for cash to pay his soldiers and staff, hit on the idea of paying them off with playing cards, which were abundant. He stamped them with the royal coat of arms, signed them, and paid them out at the rate of one card to a four-franc note. The cards were further cut up into halves and quarters for smaller amounts. These playing cards constituted one of the earliest forms of paper money in the western world.

There are the symbols again. They were made. Did they work? Of course they worked. Why? Because there were plenty of goods to exchange with them.

Mr. Byrne: Somebody got skinned.

Mr. Blackmore: The beavers, no doubt!

Mr. Byrne: Beaver skins.

Mr. Smith (Calgary West): Let it be a public fight. Don't keep it so private down there.

Mr. Blackmore: I appreciate the kindness of the hon. member for Calgary West. I continue with the article:

De Meulles and succeeding intendants, fairly responsible men, tried to keep new currency on a sound footing. They would redeem the card money with gold and silver whenever France sent any, taking it back from the merchants when supplies of food, clothing and other commodities came from the old country.

But trouble began in 1690 when a cargo of flour and pork sank on the way out.

Goods, you see.

Similar cargoes went down in 1691 and 1692. The intendant had issued fresh card money against the arrival of these goods. The people and the merchants were stuck with cards, but no goods, and a great outcry arose. This was perhaps Canada's first taste of inflation.

Altogether the author has done a pretty good job. He shows what caused—what always causes—inflation, namely, a shortage of goods in relation to the amount of money, not the kind of money, what it was made of, or where it came from. I continue:

The financial structure of the country was undermined by experiences like this, as the French colonial regimes issued more and more unbacked notes during the 18th century struggle for supremacy with England. Only a fraction of the paper money outstanding was redeemed by the French government after the capitulation of Quebec in 1759. Not surprisingly, the whole institution of paper money suffered loss of prestige, and the long-memoried habitants stoutly resisted early attempts to establish banks of currency issue when the British took over.

It is only fair to put that in as part of the article. I continue:

It was through the imperial army, of all institutions, that confidence in paper money was re-established, and the way paved for the rush of private bank openings that featured the early part of the 19th century. To pay running charges of the war of 1812, bills were issued against the credit of Britain. These usually bore interest and, more important, they were redeemed within four or five years.

It does not say whether redeemed in goods. If they were, that was good enough. I continue:

Another distinct phase of Canadian monetary history, the issuance of private paper money, began about 30 years before the banks got into the business, and flourished for several decades. The acceptance of these notes depended on the firm's or individual's reputation. The Montreal antiquarian, P. N. Breton, listed 41 individuals and firms which issued paper money, including several breweries

and several city corporations. A favourite denomination of the city notes was 7½ pence.

Here is the last quotation I shall use:

To say that the world today is more complicated than it has ever been is to state a truism. But for Mr. Average Canadian, the vital matter of currency has achieved a simplicity and uniformity unequalled since the days when the red man ruled.

That is just the trouble, Your Honour. The ordinary citizen thinks that everything is well with our money, whereas there never was a time when everything was much worse than it is with our money, because our money is simply not adequate to the task we must have it perform.

I should like to thank the Toronto *Star Weekly* for the article. It shows a desire to have the truth about money. If the *Star Weekly* will go forward and give the Canadian people the actual facts about money it will perform the greatest service it has ever performed in this country in all its long history.

What is sound money? What is a sound dollar? A dollar having constant buying power. I fancy hon. members will say, "I want a dollar which will buy the same amount of goods ten years from now as it will buy today." That is what everybody thinks about when he thinks about sound money. Our money is a long, long way from that.

I have here a set of figures which hon. members will be interested in. These figures were compiled for me by the finance department and submitted to me in a letter dated March 2, 1950. They show the purchasing power of the Canadian dollar from 1927 down to 1949, inclusive. I am going to run down right through the list, so that when it is on *Hansard* members may read it tomorrow. We are taking the Canadian dollar of 1939 as 100. We are saying it is worth 100 cents. What was the 1939 Canadian dollar worth in 1927? What is that same 1939 dollar worth today? That is what we are asking ourselves, to see whether our Canadian dollar is sound. This table will set out the value of our dollar in the various years, taking the base of 100 for 1939:

1927	84·7
1928	84·2
1929	83·4
1930	84·0
1931	93·0
1932	102·6
1933	107·5
1934	106·2
1935	105·5
1936	103·4
1937	100·3
1938	99·3
1939	100·0

[Mr. Blackmore.]

Not very much soundness about that Canadian dollar, was there? Yet, every dollar of it practically was a good old bank dollar, borrowed from the bank and supposed to be perfectly safe! Going on from 1939, these are the figures:

1940	96·2
1941	90·9
1942	86·7
1943	85·7
1944	85·4
1945	85·0
1946	82·1
1947	74·9
1948	65·5
1949	63·1

And it is still going down. Will anyone say that is a sound dollar? Well, he will be courageous if he does, and he will have a hard job proving it.

What is a sound dollar? I submit that one definition of a sound dollar is one that does not fluctuate in value. Is a sound dollar money backed by gold? Is it money backed by securities and bonds? Is it money lent by the banks? Is it money backed by the credit of a person, a company or a community?

What is credit? It may be described in two sentences: First, the money-producing power of a country and, secondly, the goods-and-services producing power of the country.

Again, is it always money that is scarce that is sound, as was implied by Mr. Coyne's statement? Is it money that is adequately distributed, like blood? Money has been called the bloodstream of the state. But blood would not be much good to one's body if it did not reach his toes and his hair. Money is not really sound in a state if it cannot reach adequately every individual of the state. Money is the bloodstream of the state, remember!

Now, sound money is money with at least three characteristics: Firstly, it must have plenty of goods and services behind it and in front of it; and, secondly, have behind it or under it a price structure which is not fluctuating unduly; and, thirdly, must be adequately distributed. Anything short of that is not sound money.

There is a monetary problem in the world. "The Story of Money" by Sir Norman Angell, published in 1929, an excellent book, is a very careful study of the whole of the world's money. He closes his work with these words:

One thing at least, then, the survey has proved, that there is a monetary problem, and that the task of its solution deserves the efforts of our wisest economists and boldest statesmen.

That was in 1929, before the depression. Did he know what he was talking about? I submit he probably did.

People generally must come to understand money. The closing words of the introductory note in the same book, just before chapter one, are these:

> Money can never be a safe and dependable device in a society made up of people who are ignorant of its nature. We are now facing a monetary revolution.

One sentence more I have left out, because it does not seem to have any bearing on what I am saying. Do you agree with that? Well, if we are facing a monetary revolution, what changes are you going to make? What is the matter? Why do we need a monetary revolution?

In Sir Norman Angell's fine little booklet "Your Money", published in 1936, comprising a series of articles which the *Financial Post* had Sir Norman Angell prepare in order to set Social Crediters right in 1935, we find the following words on page 1:

> Without some knowledge upon which to base such decisions, democracy itself is impossible. To know what we are doing, what we are talking about when we discuss these matters, we must know something of the nature of money. Our whole civilization rests upon insecure foundations so long as most of us are completely ignorant of such a subject as this.

What an astonishing thing, Mr. Speaker, to find so little discussion of money in this house! And almost none in the responsible papers of the country—except that, of course, which seeks to discredit those who wish to discuss money! It seems to indicate that a change of attitude is needed.

I have discussed to some extent what sound money is. I should like now to read into the record a statement which I think is of very great value, and one which I have read before. This is a statement by the Right Hon. Reginald McKenna, chairman of the Midland bank in England for many years. It occurs in his report to his shareholders in January of 1936, and is found in *The Times*, down in our library, for January 30 of that year. These are, I believe, words of great importance:

> We learnt that a shortage of money may be just as vicious in its effects as an excess, though deflation has still a touch of virtue about it in the minds of many people. Nevertheless it is becoming more and more widely recognized that greater productivity calls for an increased supply of money, for otherwise prices will fall, business will stagnate, and the growing productive capacity will be unused.
>
> For money to be truly "sound" there must be enough of it to finance an ordinarily growing volume of trade, yet not so much as to give rise to an inflationary movement of prices.

The whole secret of success in managing our monetary affairs is to build up a system under which we can be sure that there will be plenty of money when there is plenty of goods. The last depression came on because we had plenty of goods and did not know how to get enough money into circulation.

What is enough money? Suppose we accept the statement of Mr. James E. Coyne, that we need a scarcity of money. Scarce in reference to what? Is it the number of people in the community? Is it the goods and services producing capacity of the community? Is it the goods and services actually available for consumption in that community, or the goods and exchanges to be made?

The answer is that it is the goods and exchanges which are to be made. May I quote from "Your Money", by Sir Norman Angell:

> Having dealt in the previous article with the chief money illusion—which is broadly that money, even when it is the precious metals, is itself wealth and that a nation enriches itself by the simple fact of increasing its store of money—we deal in this chapter with what might be called the chief money truth. This truth is that when you do increase the quantity of a nation's money out of proportion to the quantity of goods or exchanges to be made, you get a rise of prices; that when you decrease it, you get a fall.

Our whole problem is to devise a money system whereby we can avoid either an inappropriate increase or an inappropriate decrease of circulating money. I maintain that the only mechanism which has been suggested thus far for doing that very thing is to be found in the Social Credit proposals.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I want to assure hon. members who are waiting for the vote that I shall be brief. I am constantly amazed when listening to the hon. member for Lethbridge (Mr. Blackmore) and caused to wonder why it is that ministers of finance the world over should have to struggle as they do when there is such an easy means at their disposal as outlined by members of the Social Credit group. It is amazing to me that the men in charge of finance in the different nations should not be ready to accept a plan that could be carried out with such great ease.

I rise to support the subamendment. The subamendment moved by the hon. member for Peace River (Mr. Low) does not ask us to subscribe to a social credit method of carrying out the principles involved therein. I support it because more than 2,000 people in the riding I represent have written to me within the past few weeks protesting against the means test as applied to old age pensions. I support it because I am confident that these people do not want to have to wait for the removal of the means test until we have established and built up in this country a contributory old age pension scheme.

As has been pointed out, the government committed itself in 1945 to exactly the kind of old age pension provided for in the sub-amendment, and I quote from page 37 of the green book as follows:

As part of the general proposals now put before the conference, it is proposed that the federal government would establish a system of national old age pensions entirely financed and administered by the federal government, and paid at the uniform rate of $30 per month regardless of means to men and women aged 70 and over in all parts of Canada.

I submit that that is the type of old age pension plan to which this government was committed in 1945, to which it committed itself in the election of 1949 and from which it is trying to get away at the present time. While I am on my feet I should like to read a few quotations from a petition which I presume every hon. member has received from the old age pensioners' society of Manitoba. Speaking of the means test it says:

We regard the means test as one of the most iniquitous pieces of legislation that could be enacted in any country against its citizens.

I would remind the Liberal members of the house that those are almost exactly the words used by the hon. member for Spadina (Mr. Croll) in his election campaign speeches in June 1949. They go on to say:

We despise and reject any attempt to bring about communism in this land, but we also insist that causes or laws which create a feeling of inequality, dissatisfaction and suffering should be removed at the earliest possible moment.

1. We, as a body, desire freedom and encouragement to proceed with any kind of labour, for which each individual has been fitted.

2. To be allowed and assisted to sell the product of our hands or minds just as freely as any other citizen of our country, whether on the old age pension or off it.

3. To accept jobs or occupations whenever and wherever offered, with the opportunity of being paid for the product of our hands or minds without in any way affecting our pension.

A party that is crying for free enterprise, a party that insists it is maintaining freedom in this country, should be ready to accept this proposal and give to old age pensioners the same type of freedom that they insist should be given to other citizens. The petition continues:

We object to any form of slavery such as the means test imposes (1) when we are denied the privilege of accepting a gift from a relative or friend, without being penalized for it, or being deprived of part or all of our pension.

5. We object to being disallowed to earn anything above the $50 a month limit set without penalty.

The restrictions on the old age pensioners means, frequently, being shut up in a little room, living on one or two meals a day, with no social or congenial surroundings, and not able to attend meetings for mutual satisfaction, because they cannot walk the distances required to do so; and with the meagre pension allowance, increase in rents, cost of living increases, transportation charges, et cetera, they cannot use any means of conveyance.

[Mr. Noseworthy.]

We are not unmindful of the fact that certain Canadian officials are being paid huge salaries of $25,000 per annum with a pension allowance, not of $40 a month but of $6,000 a year, while others receive a salary of $20,000 a year and receive a pension of $5,000 a year.

That reference to pensions reminds me of a newspaper article dated January 14 which contained an account of the retirement of the manager of the American Telephone and Telegraph Company. This man had been receiving a salary of $209,000 and he was pensioned on January 1, 1950, with a pension of $95,000 a year. I bring that in because of another question raised by my constituents and about which I have received many letters. I refer to the lack of service being given by the Canadian subsidiary of this parent company which can afford to retire its manager on a pension of $95,000 a year. I refer to the Bell Telephone Company of Canada.

In the Toronto area alone today there are close to 12,000 home owners who, although they live in communities that have every other convenience, have applied for telephones but cannot get them although they may be needed in case of sickness or for other reasons. I want to take advantage of this opportunity to call to the attention of the Minister of Transport (Mr. Chevrier), under whose department the affairs of that company come, the fact that we have a situation where a utility serving the public, and which is now asking for an increase in its rates after just having floated a new debenture loan, according to its own report has today across Canada approximately 200,000 applications for new telephones and improved telephone services. I think as members of the house we have some responsibility for a company which is rendering as important a public service as the Bell Telephone Company. In addition to registering my protest against the government for failing at this session to remove the means test from old age pensions, I also want to register my protest against the kind of service we are getting from the Bell Telephone Company in the Toronto area.

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

YEAS

Messrs:

Argue	Knight
Beyerstein	Knowles
Blackmore	Low
Bryce	MacInnis
Coldwell	Noseworthy
Fair	Poulin
Gagnon	Quelch
Gillis	Thomas
Herridge	Wright
Johnston	Wylie—21.
Jones	

NAYS

Messrs:

Adamson	Green
Anderson	Gregg
Applewhaite	Harkness
Ashbourne	Harris (Danforth)
Beaudoin	Harris (Grey-Bruce)
Beaudry	Harrison
Belzile	Hellyer
Benidickson	Helme
Bertrand	Henderson
Black (Chateauguay-Huntingdon-Laprairie)	Henry
Blair	Hetland
Blanchette	Hosking
Blue	Howe
Boisvert	Huffman
Boivin	Hunter
Boucher	Isnor
Bourget	James
Bradette	Jeffery
Breithaupt	Jutras
Brisson	Kent
Brooks	Kickham
Brown (Essex West)	Kirk (Antigonish-Guysborough)
Browne (St. John's West)	Kirk (Digby-Yarmouth)
Bruneau	LaCroix
Byrne	Lafontaine
Cameron	Laing
Cannon	Langlois (Berthier-Maskinonge)
Cardiff	Langlois (Gaspe)
Carroll	Larson
Casselman	Leduc
Catherwood	Lefrancois
Cauchon	Leger
Cavers	Lesage
Charlton	Little
Claxton	Macdonald (Edmonton East)
Cleaver	Macdonnell (Greenwood)
Cloutier	MacDougall
Corry	MacKenzie
Cote (Matapedia-Matane)	MacLean (Cape Breton North and Victoria)
Cote (Verdun-LaSalle)	MacNaught
Coyle	McCann
Croll	McCubbin
Cruickshank	McCulloch
Dechene	McCusker
Denis	McIlraith
Dewar	McIvor
Dickey	McLean (Huron-Perth)
Dion	McLure
Douglas	McWilliam
Drew	Major
Dube	Maltais
Dumas	Maybank
Eyre	Mayhew
Ferguson	Mitchell
Follwell	Monette
Fontaine	Mott
Fournier (Hull)	Murphy
Fournier (Maisonneuve-Rosemont)	Murray (Oxford)
Fraser	Murray (Cariboo)
Fulford	Mutch
Fulton	Nadon
Garland	Pearkes
Garson	Pearson
Gauthier (Sudbury)	Pouliot
Gauthier (Lapointe)	Proudfoot
Gauthier (Portneuf)	Prudham
George	Ratelle
Gibson	Richard (Gloucester)
Gingras	Richard (St. Maurice-Lafleche)
Gingues	Richard (Ottawa East)
Goode	Riley
Gosselin	Roberge
Gour (Russell)	Robertson
Gourd (Chapleau)	Robinson
Graydon	Rochefort
	Rooney
	St. Laurent
	Simmons
	Sinclair
	Sinnott
	Smith (Calgary West)
	Smith (Queens-Shelburne)
	Smith (York North)
	Smith (Moose Mountain)
	Stanfield
	Stewart (Yorkton)
	Studer
	Thatcher
	Thomson
	Tremblay
	Tustin
	Valois
	Viau
	Warren
	Weaver
	Weir
	White (Hastings-Peterborough)
	White (Middlesex East)
	Whiteside
	Whitman
	Winkler
	Winters—177.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Adamson	Green
Aylesworth	Harkness
Balcer	Harris (Danforth)
Blair	Hatfield
Brooks	Macdonnell (Greenwood)
Browne (St. John's West)	McGregor
Cardiff	McLure
Casselman	Murphy
Catherwood	Pearkes
Charlton	Smith (Calgary West)
Coyle	Stanfield
Drew	Tustin
Ferguson	White (Hastings-Peterborough)
Fraser	White (Middlesex East)
Fulton	—30.
Graydon	

NAYS

Messrs:

Anderson	Cote (Verdun-LaSalle)
Applewhaite	Croll
Ashbourne	Cruickshank
Beaudoin	Dechene
Beaudry	Denis
Belzile	Dewar
Benidickson	Dickey
Bertrand	Dion
Beyerstein	Douglas
Black (Chateauguay-Huntingdon-Laprairie)	Dube
Blackmore	Dumas
Blanchette	Eyre
Blue	Fair
Boisvert	Follwell
Boivin	Fontaine
Boucher	Fournier (Hull)
Bourget	Fournier (Maisonneuve-Rosemont)
Bradette	Fulford
Breithaupt	Garland
Brisson	Garson
Brown (Essex West)	Gauthier (Sudbury)
Bruneau	Gauthier (Lapointe)
Bryce	Gauthier (Portneuf)
Byrne	George
Cameron	Gibson
Cannon	Gillis
Carroll	Gingras
Cauchon	Gingues
Cavers	Goode
Claxton	Gosselin
Cleaver	Gour (Russell)
Cloutier	Gourd (Chapleau)
Coldwell	Gregg
Corry	Harris (Grey-Bruce)
Cote (Matapedia-Matane)	Harrison

Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Howe
Huffman
Hunter
Isnor
James
Jeffery
Johnston
Jones
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Knight
Knowles
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Larson
Leduc
Lefrancois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacInnis
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Maybank
Mayhew
Mitchell
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nadon
Noseworthy
Pearson
Pouliot
Proudfoot
Prudham
Quelch
Ratelle
Richard (Gloucester)
Richard (St. Maurice-Lafleche)
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rochefort
Rooney
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Studer
Thomas
Thomson
Tremblay
Valois
Viau
Warren
Weaver
Weir
Whiteside
Whitman
Winkler
Winters
Wright
Wylie—166.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Fauteux	Black (Cumberland)
Abbott	Rowe
Bradley	Homuth

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted, I would have voted for the amendment.

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

Some hon. Members: Carried.

Some hon. Members: On division.

Mr. Drew: No, not on division.

And more than five members having risen:

Mr. Speaker: Did I understand the main motion to be carried on division; or is there a desire to have a vote?

Some hon. Members: On division.

Mr. Drew: No, Mr. Speaker, I wish to have a vote taken.

Mr. Smith (Calgary West): We want to see how these birds are going to vote.

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

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand
Black (Chateauguay-Huntingdon-Laprairie)
Blanchette
Blue
Boisvert
Boivin
Boucher
Bourget
Bradette
Breithaupt
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Cannon
Carroll
Cauchon
Cavers
Claxton
Cleaver
Cloutier
Corry
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Croll
Cruickshank
Dechene
Denis
Dewar
Dickey
Dion
Douglas
Dube
Dumas
Eyre
Follwell
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Garland
Garson
Gauthier (Sudbury)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gibson
Gingras
Gingues
Goode
Gosselin
Gour (Russell)
Gourd (Chapleau)
Gregg
Harris (Grey-Bruce)
Harrison
Hellyer
Helme
Henderson
Henry
Hetland
Hosking
Howe
Huffman
Hunter
Isnor
James
Jeffery
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Larson
Leduc
Lefrancois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacLean (Cape Breton-North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Maltais
Martin
Maybank
Mayhew
Mitchell
Monette
Mott
Murray (Oxford)
Murray (Cariboo)
Mutch
Nadon
Pearson
Pouliot
Proudfoot
Prudham
Ratelle

Richard (Gloucester)
Richard (St. Maurice-Lafleche)
Richard (Ottawa East)
Riley
Roberge
Robertson
Robinson
Rochefort
Rooney
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (York North)
Smith (Moose Mountain)
Stewart (Yorkton)
Studer
Thomson
Tremblay
Valois
Viau
Warren
Weaver
Weir
Whiteside
Whitman
Winkler
Winters—151.

NAYS

Messrs:

Adamson
Aylesworth
Balcer
Beyerstein
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Cardiff
Casselman
Catherwood
Charlton
Coldwell
Coyle
Drew
Fair
Ferguson
Fraser
Fulton
Gagnon
Gillis
Graydon
Green
Harkness
Harris (Danforth)
Hatfield
Herridge
Johnston
Jones
Knight
Knowles
Low
Macdonnell (Greenwood)
MacInnis
McGregor
McLure
Murphy
Noseworthy
Pearkes
Poulin
Quelch
Smith (Calgary West)
Stanfield
Thatcher
Thomas
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Wylie—51.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Fauteux — Black (Cumberland)
Abbott — Rowe
Bradley — Homuth

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable privy council.

Motion agreed to.

Questions

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HEALTH INSURANCE STUDIES

Mr. Knowles:

1. What amount of money was voted for health insurance studies for the fiscal years ending in 1946, 1947, 1948, 1949 and 1950?

2. What amount was expended and charged to the above item in the fiscal years ending in 1946, 1947, 1948 and 1949, and how much has been expended and charged to this item thus far in the fiscal year ending March 31, 1950?

3. To whom was this money paid, and/or in what other ways was it expended?

4. How much of the time of the persons indicated in the answer to question 3 has been spent on health insurance studies, and what other tasks have these persons performed?

5. Is there available any report summarizing the results of health insurance studies made under the items noted above?

Mr. Martin:

1.

Amount voted:

1946	$10,187
1947	43,555
1948	27,863
1949	43,897
1950	56,451

2.

Net expenditures (For explanations and additional expenditures see answers 3 and 4):

1946	$ 3,122.63
1947	6,738.17
1948	18,954.41
1949	23,589.27
1950	44,487.13 (to Jan. 31/50)

Amounts charged to health insurance studies vote:

1946	$ 2,261.26
1947	4,763.44
1948	6,918.51
1949	20,500.55
1950	43,149.80 (to Jan. 31/50)

---

3 and 4.

Re: Fiscal year ended March 31, 1946—

Salaries were paid to—

Dr. K. G. Gray, appointed December 10, 1945, as Assistant Director of Health Insurance Studies	$ 1,853.11
Miss M. I. Bunn	11.89

Questions

Other expenditures—

Cost of living bonus and other payroll items	$ 1.82	
Telephone, telegrams and postage	2.03	
Materials and Supplies	9.00	
Transportation and travelling expenses	383.41	
		$ 2,261.26

Additional staff were employed in the directorate of health insurance studies as follows—

Miss Marion VanDusen was employed as full-time secretary to Dr. Gray. Her salary (which for various administrative reasons was charged to the health branch administration vote) should therefore be added to the above 563.26

Mr. J. S. Cudmore, Statistician, was seconded full time to the directorate. His salary (which was paid by the dominion bureau of statistics) should therefore be added to the above .. 310.00

$ 3,134.52

Re Dr. Gray's duties—

Upon the establishment of the directorate of health insurance studies on December 29, 1945, Dr. Gray was assigned full time there and performed no other duties. .....

Re Miss Bunn's duties—

Miss Bunn was actually employed full time in the proprietary or patent medicine division. Her salary (which for various administrative reasons only was charged to the health insurance studies vote) should therefore be deducted from the above. 11.89

Net Total ..... $ 3,122.63

Re: Additional cost incurred on health insurance studies—

The amount of $3,122.63 does not represent the total expenditure on health insurance studies. During this year the previously established working committee on health insurance was actively engaged in health insurance planning.

This committee consisted of:

Dr. G. B. Chisholm, Deputy Minister of National Health, Chairman; Mr. Alex Skelton, Mr. J. B. Coyne, Mr. J. Howes, Mr. J. T. Marshall, Mr. R. E. Curran, Dr. G. D. W. Cameron (after Dr. Heagerty's retirement), Dr. K. G. Gray.

This committee, with the directorate of health insurance studies, was responsible for the revisions in the 1945 proposals on health insurance submitted to the second session of the dominion-provincial conference on reconstruction. (Statement by the Prime Minister of Canada of April 29, 1946; conference record, pages 386-7).

It is of course not possible to estimate the cost of the work of this committee.

Re: Fiscal year ended March 31, 1947—

Salaries were paid to—

Dr. K. G. Gray	$ 500.00
Miss M. I. Bunn	1,315.51
Mr. J. W. Willard	377.10
Mr. W. Krutaski	760.00
Dr. J. L. Little	1,467.74

Questions

Other expenditures—

Cost of living bonus and other payroll items	14.04	
Telephones, telegrams and postage	77.79	
Sundries	3.32	
Materials and Supplies	79.59	
Transportation and travelling expenses	168.05	
		$ 4,763.44

Additional staff were employed in the directorate of health insurance studies, as follows—

Miss Marion VanDusen was employed on full-time duties in the directorate. Her salary (which for various administrative reasons was charged to the health branch administration vote) should therefore be added to the above 1,908.79

Mr. J. S. Cudmore, Statistician, was employed full time in the directorate. His salary ($1,580 of which was paid by the dominion bureau of statistics while on loan from the bureau from April 1—December 31, 1946, and $750 of which was for various administrative reasons charged to the departmental administration vote while actually employed by the directorate of health insurance studies from January 1—March 31, 1947) should therefore be added to the above ..... $ 2,330.00

$ 9,002.23

Re: Duties of Miss Bunn, Mr. Willard and Mr. Krutaski—

Miss Bunn was actually employed full time in the proprietary or patent medicine division. Her salary (which for various administrative reasons only was charged to the health insurance studies vote) should therefore be deducted from the above..... $ 1,315.51

Mr. Willard was actually employed in the research division but devoted one-half his time to health insurance studies. One-half his salary should therefore be deducted from the above..... 188.55

Mr. Krutaski was actually employed full time in the personnel division. His salary (which for various administrative reasons was charged to the health insurance studies vote) should therefore be deducted from the above..... 760.00 2,264.06

Net total ..... $ 6,738.17

Re: Duties of Dr. Gray and Dr. Little—

Dr. Gray worked full time on health insurance studies until his resignation on April 30, 1946, to return to the Ontario provincial service.

Dr. Little was appointed assistant director of health insurance studies after Dr. Gray's resignation, and devoted his full time to that work.

Re: Additional costs incurred on health insurance studies—

The amount of $6,738.17 does not represent the total expenditure on health insurance studies. During this year the research division of the department had under constant review the development of health insurance schemes in other countries. In addition a number of specially concerned divisions of the health branch of the department gave, under the direction of the deputy minister of national health, a great deal of time and attention to problems related to health insurance.

It is of course not possible to estimate the cost of these services.

Questions

Re: Fiscal year ended March 31, 1948—

Salaries were paid to

Dr. J. L. Little	$ 1,000.00	
Mr. W. H. A. Calladine	393.81	
Miss H. Ekstein	725.50	
Miss U. V. P. Tupper	360.00	
Dr. J. H. Horowicz	275.00	
Mr. G. H. Josie	3,761.29	
Other expenditures		
Cost of living bonus and other payroll items	$ 15.57	
Telephones, telegrams and postage	54.60	
Printing, stationery and office equipment	84.09	
Sundries	2.50	
Materials and supplies	154.86	
Transportation and travelling expenses	90.65	
		$ 6,918.51

Additional staff were employed in the Directorate of Health Insurance Studies, as follows:

Miss Marion VanDusen was employed on full time duties in the directorate. Her salary (which for various administrative reasons was charged to the health branch administration vote) should therefore be added to the above 2,082.00

Dr. J. H. Horowicz was employed full time in the directorate. His salary, additional to the $275 listed above (which for various administrative reasons was charged to the departmental administration vote) should therefore be added to the above 3,025.00

Mr. J. S. Cudmore was employed full time in the directorate from April 1 to August 28, when he was granted education leave. His salary (which for various administrative reasons was charged to the health branch administration vote) should therefore be added to the above 1,178.64

In June, 1947, Dr. H. M. Cassidy of the University of Toronto was appointed to act as technical adviser to the department on matters of social security, including health insurance. In this connection the work of the director of health insurance studies was reorganized and Dr. B. D. B. Layton, chief of the venereal disease control division, was temporarily released from his duties there and put in charge of the directorate. His salary for the period July, 1947, to March 31, 1948 (which was charged to the venereal disease control vote) should therefore be added to the above 4,650.00

The research division was assigned to co-operate with the directorate of health insurance studies. Mr. J. W. Willard, officer in charge of this division, worked part-time on health insurance. Research assistants—Mr. J. A. MacDonald and Miss B. J. Stewart —worked full time on health insurance studies from July, 1947 to March 31, 1948 and research assistant Mr. C. D. Allen worked full time from September 15, 1947 to March 31, 1948. Their salaries (which were charged to the departmental administration vote) for this period should be added to the above..... 5,587.05

$ 23,441.20

Re: Duties of Miss Ekstein and Mr. Josie—

Miss Ekstein and Mr. Josie were actually employed full time in the research division. Their salaries (which for various administrative reasons were charged to the health insurance studies vote) should therefore be deducted from the above.. 4,486.79

Net Total ..... $ 18,954.41

[Mr. Martin.]

Questions

Re: Additional costs incurred on health insurance studies—

The amount of $18,954.41 does not represent the total expenditure on health insurance studies. A large proportion of the time of the deputy minister of national health, Dr. Cameron, was devoted to over-all direction of and active participation in the work on health insurance. The deputy minister of welfare, Dr. Davidson, closely co-operated with the health branch in this work. In addition, the legal adviser, Mr. R. E. Curran, and the heads of various divisions concerned—Dr. Moore, Dr. Stogdill, Dr. Ansley, Dr. Couture, and Mr. Hughes—participated in over-all planning as well as in work related to their specific fields.

It is impossible to make an estimate of the proportion of the time of such officials or of Dr. Cassidy and other advisors—and hence of the cost—which was devoted to health insurance studies work.

Re: Fiscal year ended March 31, 1949—

Salaries were paid to the following, who worked full time on health insurance studies—

Miss A. T. Gotro	$ 310.00	
Dr. J. H. Horowicz	3,387.08	
Mrs. N. Ivanoff	241.07	
Mrs. S. Lefebvre	740.00	
Miss U. V. P. Tupper	1,710.00	
Dr. F. W. Jackson	6,264.00	
Mr. W. H. A. Calladine	573.33	
Miss G. L. Brommell	853.00	
Miss M. VanDusen	2,310.00	

Other expenditures—

Telephones, telegrams and postage	$ 588.99	
Printing, stationery and office equipment	879.67	
Sundries	56.11	
Transportation and travelling expenses	2,587.30	$ 20,500.55
Additional staff were employed in the Directorate of Health Insurance Studies, as follows—		
Mr. J. S. Cudmore was employed full time in the Directorate from June 1 to September 15, 1948. His salary for that period (which was charged to the health branch administration vote) should therefore be added to the above		988.72
Dr. B. D. B. Layton was employed full time in the Directorate from April 1 to July 31, 1948. His salary for that period (which was charged to the venereal disease control vote) should therefore be added to the above		2,100.00
Net Total		$23,589.27

Re: Additional costs incurred on health insurance studies—

The amount of $23,589.27 does not represent the total expenditure on health insurance studies. During this year a considerable proportion of the time of members of the research division was devoted to assigned duties in respect of health insurance studies. The deputy ministers, the legal adviser, and heads of various divisions concerned actively participated in the work of the directorate of health insurance studies. The directorate was also supported by clerical assistance from the departmental secretary's division.

It is impossible to make an estimate of the proportion of the time of such officials and staff which was devoted to this work.

Questions

Re: Fiscal year ending March 31, 1950 (to January 31, 1950)—

Salaries were paid to the following, who worked full time on health insurance studies—		
Miss A. T. Gotro	$ 1,525.00	
Miss G. Guilmette	1,190.00	
Dr. J. H. Horowicz	3,000.00	
Mrs. N. Ivanoff	1,249.50	
Mrs. S. Lefebvre	1,885.00	
Dr. M. Langlois	2,100.00	
Mr. F. E. Myles	1,473.33	
Miss B. G. McDonald	787.82	
Mr. J. St. Louis	320.00	
Miss U. V. P. Tupper	1,550.00	
Dr. G. E. Wride	4,932.26	
Dr. F. W. Jackson	7,731.00	
Miss G. L. Brommell	1,855.00	
Miss M. B. VanDusen	2,100.00	
Other expenditures—		
Telephones, telegrams and postage	$ 860.60	
Printing, stationery and office equipment	1,710.86	
Sundries	54.17	
Professional and special services	637.50	
Transportation and travelling expenses (Includes travelling expenses incurred by Dr. B. D. B. Layton in visiting Great Britain to study national health services there.)	8,187.76	$43,149.80
Additional staff were employed in the Directorate of Health Insurance Studies, as follows—		
Mr. J. S. Cudmore was employed full time in the directorate. His salary (which was charged to the health branch administration vote) should therefore be added to the above		1,337.33
Net total		$44,487.13

With respect to expenditures during 1948-49 and 1949-50: activities in connection with health insurance studies included the administration of the health grants program.

No apportionment of time and cost as between studies on health insurance and grants administration can be made or would be justified. Actually a portion of the clerical and mechanical work could be attributed exclusively to the administration of the health grants program but it is not possible to make such an apportionment. According to the statement of policy by the Prime Minister on May 14, 1948, the implementation of the health grants program is the necessary prerequisite to the introduction of a health insurance scheme. Preventive and curative aspects must be well integrated within any over-all health plan and, therefore, the implementation of the grants program can not be separated from planning of health insurance.

Information and experience obtained from the implementation of the health grants program is being collated into basic studies on health insurance.

[Mr. Martin.]

5. A general summary of the activities related to health insurance studies can be found in the annual reports of the department, as follows: For the year ended March 31, 1946, at page 23; for the year ended March 31, 1947, at page 30; for the year ended March 31, 1948, at page 39; for the year ended March 31, 1949, at pages 77-88. In addition numerous intradepartmental memoranda and studies have been prepared by the directorate of health insurance studies on matters related to health insurance.

INCOME TAX—INDIVIDUAL PROPRIETORS CORPORATIONS AND CO-OPERATIVES

Mr. Isnor:

What was the total income tax received for each of the years 1945, 1946, 1947, 1948 from (a) individuals in business as proprietors or partners; (b) corporations; (c) co-operatives?

Mr. McCann: No analysis is made of actual tax collections, as detailed information is not given about the individual taxpayer at the time the payment is made. Therefore, the following figures represent the tax liability as declared by the taxpayer at the time of

filing and prior to any adjustment which may subsequently be made at the time of assessment.

(a) Tax liability as declared by individuals in business as sole proprietors or partners:—

1945—Not available
1946—$87,386,000
1947—$98,170,000
1948—Not yet available

(b) Income and excess profits tax liability as declared by corporations other than co-operatives:—

1945—$673,304,000
1946—$666,635,000
1947—$650,915,000
1948—Not yet available

(c) Income and excess profits tax liability as declared by co-operatives:—

1945—Exempt
1946—Exempt
1947—$1,283,000
1948—Not yet available

SASKATOON, SASK., GRAIN ELEVATOR

Mr. Ross (Souris):

1. In what year was the government grain storage elevator in Saskatoon, Saskatchewan, constructed and at what cost?
2. What was the cost of administration of the elevator in each of the years 1945 to 1949 inclusive?
3. What amount of grain was stored in the elevator by months during each of the years 1945 to 1949 inclusive?

Mr. McIlraith:

1.

1913-14	$1,156,133.25
Additions 1931	475,935.41
Total	$1,632,068.66

2.

Fiscal Year	
1944-45	$78,177.34
1945-46	74,894.66
1946-47	65,125.63
1947-48	78,793.49
1948-49	78,787.92

3.

1945	Bushels
January	2,372,464
February	3,074,480
March	3,433,904
April	4,503,094
May	5,018,559
June	5,014,113
July	4,940,070
August	3,359,512
September	1,561,324
October	1,159,824
November	1,128,695
December	1,148,337

1946	Bushels
January	1,052,869
February	970,219
March	788,930
April	742,758
May	541,836
June	199,858
July	200,321
August	404
September	965
October	40,497
November	61,654
December	68,327

1947	Bushels
January	44,280
February	22,270
March	42,444
April	29,379
May	13,114
June	175,640
July	44,734
August	20,009
September	27,271
October	67,483
November	104,485
December	172,077

1948	Bushels
January	132,815
February	127,357
March	138,979
April	86,479
May	67,676
June	109,562
July	71,734
August	10,351
September	16,652
October	62,876
November	22,894
December	26,922

1949	Bushels
January	21,203
February	21,203
March	21,203
April	21,203
May	21,203
June	18,342
July	12,172
August	1,384
September	935
October	489
November	1,739
December	1,739

DUNDAS, ONT., PUBLIC BUILDING

Mr. Lennard:

1. Are the alterations to the Dundas federal building completed?
2. If so, how much money was expended on these alterations?

Mr. Fournier (Hull):

1. Yes.
2. $39,149.

Questions

CIVIL SERVICE PENSIONS

Mr. Knowles:

1. How many retired civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month; (b) 20 to $29.99 per month; (c) $30 to $39.99 per month; (d) $40 to 49.99 per month; (e) $50 to $59.99 per month; (f) $60 to $69.99 per month; (g) $70 to $79.99 per month; (h) $80 to $89.99 per month; (i) $90 to $99.99 per month; (j) $100 per month or over?

2. How many widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired federal civil servants and also the number of widows of retired civil servants presently residing in each province?

Mr. Belzile:

1 and 2. As at February 28, 1950:

Per month	Retired Civil Servants	Widows
(*a*) less than $20.00	253	871
(*b*) $20.00 to $29.99	498	891
(*c*) $30.00 to $39.99	677	754
(*d*) $40.00 to $49.99	799	610
(*e*) $50.00 to $59.99	781	468
(*f*) $60.00 to $69.99	797	243
(*g*) $70.00 to $79.99	779	173
(*h*) $80.00 to $89.99	860	105
(*i*) $90.00 to $99.99	728	74
(*j*) $100.00 or over	3,013	149
	9,185	4,338

3. As at February 28, 1950:

	Retired Civil Servants	Widows
British Columbia	1,572	471
Alberta	374	131
Saskatchewan	186	74
Manitoba	386	186
Ontario	4,072	2,056
Quebec	1,678	927
New Brunswick	226	119
Nova Scotia	373	176
Prince Edward Island	51	24
Newfoundland	2	4
Yukon Territory	6	3
Northwest Territories	2	1
United States	96	81
British West Indies	..	2
Overseas	161	83
	9,185	4,338

SEDITIOUS OFFENCES—PROSECUTIONS

Mr. Fleming:

1. How many prosecutions have been instituted for seditious offences since the 1936 amendment of section 133 of the Criminal Code?

2. What was the nature of the offence charged in each case?

3. What was the outcome of the prosecution in each case?

[Mr. Fournier (Hull).]

Mr. Garson:

1. Two on behalf of the government of Canada. There may be other prosecutions instituted by the attorneys general of the provinces of Canada of which the federal government has no record.

2. In one case the charge was speaking seditious words against His Majesty the King. The other case was one in which the accused was charged with being a party to a seditious conspiracy.

3. The outcome in the first case was "charge dismissed". In the second, the accused was convicted but the conviction was later quashed on appeal.

IMMIGRATION—GERMAN NATIONALS

Mr. Pearkes:

1. Are persons of German nationality permitted to enter Canada as immigrants?

2. If so, under what conditions?

Mr. Harris (Grey-Bruce):

1. The entry to Canada of German nationals is prohibited by an order respecting enemy aliens passed under the authority of section 38 of the Immigration Act.

As stated by the Minister of Mines and Resources on September 26, 1949, in the House of Commons, special consideration is being given on humanitarian grounds to applications from legal residents of Canada for the admission of the following classes of first degree relatives:—

(a) Wife and unmarried children under 18 years of age; (b) husband; (c) parents 65 years of age and over; (d) bona fide fiancées.

Admission requires the authority of the governor in council.

2. Answered by No. 1.

WHEAT AGREEMENT—SUMS TRANSFERRED FOR PURCHASE OF OTHER GOODS

Mr. Argue:

1. What sum of money has been transferred from the British wheat agreement for the purchase of other Canadian exports?

2. What are the various exports, with quantities and value covered by such transfers?

3. Will the sum transferred from the British wheat agreement be made available for the purchase of wheat at a future date; if so, at what price per bushel?

Mr. McIlraith:

1. None. However, by arrangement with the United Kingdom ministry of food, the delivery of 12½ million bushels of wheat, which would have been deliverable before July 31, 1950, under the Canada-United Kingdom wheat agreement, has been postponed until the early part of the crop year 1950-51.

2. As part of this arrangement the United Kingdom government agreed to make certain purchases of bacon, salmon and lumber.

Bacon: The bacon to be purchased under this agreement is that provided for in the contract announced by the Minister of Agriculture on the 3rd of January, 1950, which provided for the purchase of $17½ million worth of bacon on the basis of 29 cents per pound of grade A Wiltshire sides, f.o.b. Canadian seaboard.

Salmon: The United Kingdom ministry of food has concluded negotiations with a committee representing the industry. The government was not a party to these negotiations.

Lumber: The United Kingdom ministry of supply has called tenders for approximately 40 million feet of eastern softwood.

3. Since the arrangement in so far as wheat is concerned involves simply the postponement of delivery, the price to be paid on delivery will be the price for the year 1949-50 agreed under the Canada-United Kingdom wheat agreement; namely, $2.00 per bushel plus carrying charges, basis No. 1 northern in store Fort William/Port Arthur, Vancouver, or Churchill.

SALES TAX—REVENUE FROM VARIOUS SOURCES

Mr. Fleming:

What amounts have been collected, by years, and in the aggregate, by way of sales tax from the outset thereof on (a) ice cream; (b) other foods; (c) clothing; (d) household furniture?

Mr. McCann: Information not available. No separate statistics are maintained of sales tax collected on individual commodities.

WHEAT—SALES, DOMESTIC AND FOR EXPORT, ETC.

Mr. Ross (Souris):

1. How many bushels of 1949 wheat crop have been delivered under Anglo-Canadian wheat agreement, as of February 28, 1950?
2. How many bushels of class II wheat have been sold, as of this date?
3. How many bushels have been sold for domestic consumption, as of this date?
4. What is the estimate of bushels of 1949 wheat crop, that will be sold under each of these headings as of July 31, 1950?
5. What has been the average monthly price of class II wheat since August 1, 1949, to date?

Mr. McIlraith:

1. Wheat clearances to the United Kingdom during the period August 1, 1949 to February 28, 1950 amounted to 68,809,955 bushels. This figure does not include wheat for flour, the shipment of which is a matter of arrangement between the Canadian mills and the British food ministry.

2. It is not the policy of the Canadian wheat board to divulge information as to its current sales position.

Questions

3. See answer to No. 2.

4. See answer to No. 2.

5. The average of daily class II prices during the period August 1, 1949 to February 28, 1950 was $2.23 per bushel basis No. 1 northern in store Fort William/Port Arthur and Vancouver. The monthly average class II prices basis No. 1 northern wheat in store Fort William, Port Arthur or Vancouver are as follows:

August, $2.06; September, $2.21; October, $2.38; November, $2.34; December, $2.22; January, $2.14; February, $2.18.

Note: In answering the above questions 1949 wheat crop is interpreted as referring to the crop year commencing August 1, 1949.

UNEMPLOYMENT INSURANCE—CONTRIBUTIONS AND BENEFITS

Mr. Browne (St. John's West):

1. What was the value of the contributions received by the unemployment insurance fund during the month of February, 1950?
2. What amount of benefits were paid out during the said month?

Mr. Cote (Verdun-La Salle):

1. $9,999,676.84.

2. $13,605,340.11.

NEWFOUNDLAND—SALES TAX

Mr. Browne (St. John's West):

What amount of revenue has been collected by the federal government for general sales tax collected from goods consumed in Newfoundland, April 1, 1949, to February 28, 1950?

Mr. McCann: No record is kept of the sales tax collected on goods consumed in individual provinces but sales tax collected in Newfoundland for the period April 1, 1949 to January 31, 1950, was $1,555,277.51.

No figures are yet available for February 1950.

NEWFOUNDLAND—TAXES ON TOBACCO AND LIQUOR

Mr. Browne (St. John's West):

What amount of revenue has been collected by taxes on (a) tobacco; (b) liquor, in Newfoundland, from April 1, 1949, to February 28, 1950?

Mr. McCann: The excise duty and tax revenue collected on tobacco in Newfoundland during the ten months' period commencing April 1, 1949, and ending January 31, 1950, was $1,489,971.21.

Likewise, the excise duty revenue on spirits was $50,643.90 and on malt, $330,591.84. There is no excise tax on spirits and malt.

In addition to the foregoing revenue, there is a sales tax of 8 per cent but no separate record is kept showing amounts applicable to each item.

Questions

Goods upon which excise duty, excise tax and sales tax have been paid in other provinces are shipped to Newfoundland, but this revenue is likewise not included in this answer since no record is kept.

No statistics are yet available for the month of February 1950.

LOAN TO THE UNITED KINGDOM

Mr. Fleming:

1. What amounts, by months, have been advanced under the United Kingdom loan?

2. What balance, if any, remains available for further advances?

Mr. Belzile:

1.

1946	($ million)
May	40
June	120
July	80
August	60
September	40
October	60
November	80
December	60
1947	
February	60
March	40
May	40
June	13
July	50
August	60
September	40
October	40
November	40
December	40
1948	
January	15
February	15
March	15
April	7
1949	
January	10
February	10
March	10
April	10
May	10
June	10
July	10
August	10
September	10
October	10
November	10
December	10
1950	
January	10
February	10

2. $95 million.

[Mr. McCann.]

HOUSING—LOANS FOR HOME IMPROVEMENT AND EXTENSION

Mr. Knowles:

1. Has the part of the National Housing Act relating to home improvement loans and home extension loans been proclaimed? If so, when? If not, when will such proclamation be made?

2. What total amount of money is authorized for (a) home improvement loans; (b) home extension loans?

3. What amount of money has been lent for (a) and (b) as noted above?

4. How much money has been lent in connection with urban, and how much in connection with rural home improvement and home extension provisions noted above?

Mr. Prudham:

1. P.C. 1180, dated 28th March, 1946, proclaimed part IV of the National Housing Act, 1944, in force effective April 1, 1946, with respect to home extension loans.

With respect to home improvement loans proclamations have been issued only as follows:

(a) P.C. 6905, dated 1st September, 1944, and P.C. 7061, dated 12th September, 1944, proclaimed part IV of the National Housing Act, 1944, in force as of the 1st day of September, 1944, with respect to home improvement loans and home extension loans made in respect of homes situated in the town of Kamsack, Saskatchewan, and the area adjacent thereto which had been damaged by the cyclone of August 9, 1944.

(b) P.C. 2752, dated 17th June, 1948, and P.C. 3013, dated 1st July, 1948, proclaimed part IV of the National Housing Act, 1944, in force with respect to home improvement loans made in respect of homes situated in British Columbia which had been damaged by floods occurring in 1948.

General proclamation of part IV of the National Housing Act, 1944, with respect to home improvement loans has been delayed because building materials, particularly plumbing and heating equipment, are still in short supply. An increased demand for these materials, which might well result from the proclamation of part IV, would seriously interfere with completions of new dwellings. The material supply situation is being watched closely and as soon as there is evidence that the supply of plumbing and heating equipment exceeds the demands of new construction, part IV will be proclaimed with respect to home improvement loans.

2. The aggregate principal amount of the guaranteed home extension loans and the guaranteed home improvement loans is limited by section 19 of the National Housing Act, 1944, to $125,000,000.

3. Home improvement loans, nil; home extension loans, $114,090.00.

4. All home extension loans made to date have been in respect of urban homes.

POST OFFICE EMPLOYEES—WINNIPEG AND OTTAWA—CIVIC HOLIDAY

Mr. Knowles:

1. Were the post office employees in Winnipeg given the day off on the occasion of the civic holiday in August, 1949?
2. If so, did they suffer loss of pay at that time?
3. If no loss of pay was suffered at that time, was any deduction made from subsequent pay cheques because of the August civic holiday?
4. Were the post office employees in Ottawa given the day off on the occasion of the civic holiday in August, 1949?
5. If so, did they suffer loss of pay at that time?
6. If no loss of pay was suffered at that time, was any deduction made from subsequent pay cheques because of the August civic holiday?
7. If there was any difference in the treatment of post office employees at Winnipeg and at Ottawa in connection with the above-noted matter, what was the reason for the difference?
8. Have any steps been taken to eliminate discrimination in this matter?
9. What was the practice with regard to civic holiday time off for post office employees (a) at Winnipeg; (b) at Ottawa, in 1948, 1947 and 1946?
10. What will be the situation in connection with this matter for the civic holiday of August, 1950?

Mr. Rinfret:

1. No general holiday was allowed. If, however, local service conditions permitted, employees were allowed leave of absence. This was either charged against their leave credits or pay was deducted.

2 and 3. Answered by No. 1.

4. Yes.

5. No.

6. No.

7. Action was based on the declaration made by the Secretary of State which restricted civic holiday to the public service throughout the city of Ottawa.

8. The question is under consideration by the government and a definite decision will be made prior to the observance of civic holiday next summer.

9. (a) 1946—where practicable, leave without pay; 1947—where practicable, leave without pay; 1948—leave with pay. (b) 1946, 1947, 1948—leave with pay.

10. Answered by No. 8.

IMMUNIZATION AGAINST DIPHTHERIA, ETC.

Mr. Isnor:

Are any studies being carried out to evaluate preparations for the immunization of children against diphtheria, whooping cough, etc.?

Mr. Martin: Yes. An intensive study of various preparations is being carried out by the laboratory of hygiene of the Department of National Health and Welfare in collaboration with McGill university and the Connaught medical research laboratories. An accurate method for measuring the value of diphtheria toxoid and tetanus toxoid has been developed. The use of combined antigens, such as diphtheria toxoid and whooping cough vaccine, is under investigation both in the laboratory of hygiene and in the clinical field. The results of these studies will be available shortly.

MOUNTED POLICE—COST OF SERVICES TO NEWFOUNDLAND

Mr. Higgins:

What cost per man per annum is the province of Newfoundland to pay for the services of the Royal Canadian Mounted Police?

Mr. Garson: No agreement for the services of the Royal Canadian Mounted Police to enforce provincial laws in the province of Newfoundland has yet been made, but it is likely to be the same as for the other provinces. The existing rate is $1,400 per man per annum.

GANDER, NFLD., AIRPORT—REIMBURSEMENT FOR CONVERSIONS AND IMPROVEMENTS

Mr. Higgins:

What was the amount paid to Newfoundland in respect to expenditures made by Newfoundland at Gander airport for conversion of buildings to civil use, runway improvements and the replacement or expansion of plant and equipment between April 1, 1945 and March 31, 1949?

Mr. Belzile: $663,964.99.

S.S. "BAR HAVEN" AND S.S. "SPRINGDALE"—PURCHASE FROM NEWFOUNDLAND

Mr. Higgins:

How much was paid to Newfoundland for (a) S.S. *Bar Haven;* (b) S.S. *Springdale?*

Mr. Belzile: (a) and (b) $1,466,933.47.

*HEALTH INSURANCE

Mr. Poulin:

How many Canadian citizens are covered at present by (a) a non-compulsory sickness insurance plan in corporations or companies operating on a profit or non-profit basis; (b) a sickness insurance plan in commerce or industry?

Mr. McIlraith: The information asked for in this question is not available as statistics on this particular subject are not kept.

Mr. Speaker: Dropped.

WHEAT BOARD—LOANS FROM CHARTERED BANKS

Mr. Wright:

1. What were the daily loans made by the Canadian wheat board from the chartered banks from April 1, 1949, to July 31, 1949?
2. What chartered banks participated in these loans?

Questions

Mr. McIlraith:

1. Loans from chartered banks during the period April 1, 1949, to July 31, 1949, were made as follows:

April 1 to June 8 inclusive ...		Nil
June	9	$ 468,630.25
	10	1,121,362.47
	11	4,861,268.57
	12	4,861,268.57
	13	6,058,773.75
	14	8,399,979.78
	15	10,781,443.76
	16	14,210,539.15
	17	14,421,150.00
	18	16,425,997.54
	19	16,425,997.54
	20	14,507,042.61
	21	15,314,610.09
	22	14,531,894.23
	23	15,171,138.02
	24	15,164,580.56
	25	16,368,436.37
	26	16,368,436.37
	27	17,523,851.88
	28	18,468,327.77
	29	16,791,701.17
	30	17,775,852.11
July	1	17,775,852.11
	2	18,761,758.85
	3	18,761,758.85
	4	20,701,947.56
	5	22,049,706.95
	6	22,289,308.02
	7	22,108,425.90
	8	22,682,815.07
	9	23,901,509.49
	10	23,901,509.49
	11	24,959,345.97
	12	24,643,357.87
	13	25,179,049.21
	14	23,552,659.90
	15	23,824,735.47
	16	24,001,715.28
	17	24,001,715.28
	18	24,432,501.34
	19	24,324,117.15
	20	23,559,140.31
	21	22,051,677.23
	22	21,806,925.14
	23	21,974,160.67
	24	21,974,160.67
	25	21,888,438.13
	26	21,631,658.25
	27	22,144,650.62
	28	21,810,791.71
	29	22,621,616.91
	30	23,795,698.28
	31	23,795,698.28

2. The following chartered banks participated in the above loans: Bank of Montreal, Royal Bank of Canada, Canadian Bank of Commerce, Bank of Nova Scotia, Imperial Bank of Canada, the Dominion Bank, Bank of Toronto, Banque Canadienne Nationale.

SCRIPT PREPARED BY LISTER SINCLAIR FOR CBC BROADCAST

Mr. Isnor:

1. Was a script prepared by Lister Sinclair dealing with the story of two businessmen, recently used over the trans-Canada network of the Canadian Broadcasting Corporation?
2. If so, what was the date of broadcast?
3. Was the script read and approved by (a) program director; (b) general manager?
4. Who finally approved of said script?

Mr. McCann:

1. No.

2, 3 and 4. See answer to No. 1.

HOUSING—TORONTO AND YORK COUNTY, ONT.

Mr. Noseworthy:

1. How many housing units does Central Mortgage and Housing Corporation now own in Toronto and York?
2. In how many of these houses did vacancies occur in 1949?
3. How many applications for houses did Central Mortgage and Housing Corporation receive in the Toronto and York area during 1949?

Mr. Prudham: In the city of Toronto and the county of York:

1. 1,020.

2. 71.

3. 1,091.

PRINCE ALBERT NATIONAL PARK—HIGHWAY CONSTRUCTION

Mr. Coldwell:

1. How many miles of highway were built in Prince Albert national park in the fiscal year ending March 31, 1949?
2. What was the cost per mile for this construction, including clearing, grading and gravelling?
3. How many miles of highway have been built in Prince Albert national park since March 31, 1949?
4. What was the cost per mile for this construction, including clearing, grading and gravelling?

Mr. Prudham:

1. 16·2 miles.

2. $14,750—moved 22,000 cubic yards per mile.

3. 13·6 miles.

4. $22,000—moved 32,500 cubic yards per mile.

GANDER, NFLD., AIRPORT—REIMBURSEMENT FOR BUILDINGS AND EQUIPMENT

Mr. Higgins:

What was the amount by which Newfoundland was reimbursed for payments made by Newfoundland for buildings and R.C.A.F. equipment at Gander airport?

Mr. Belzile: $866,000.

PURCHASE OF NORTH YORK, ONT., PROPERTY

Mr. Noseworthy:

1. Did Central Mortgage and Housing Corporation at one time own land at the corner of Bathurst street and Lawrence avenue in the township of North York, Ontario?

2. If so, when was it purchased, from whom, what was the acreage and what was the purchase price?

3. Has this property been sold recently by Central Mortgage and Housing Corporation, or is Central Mortgage and Housing Corporation at present negotiating for the sale of this property?

4. If sold, to whom was the sale made, and what was the selling price?

Mr. Prudham:

1. Yes.

2. This land which consisted of 152·03 acres was purchased on June 19, 1947, from Fred J. Mulholland for the sum of $179,868.15 which amount included legal and survey fees.

3. Yes.

4. The eastern half of this property comprising 65·38 acres was sold during August, 1949, to the Great West Life Assurance Company and Investors Funding Corporation jointly for the sum of $98,070.00.

WINDSOR, ONT., EMPLOYMENT OFFICE

Mr. Noseworthy:

1. Is the new employment office located at 47 Main street north, in Windsor, Ontario, in a rented building or government-owned building?

2. If rented, from whom and at what rental?

3. Is the space previously occupied by the unemployment insurance office at 81 Main street, Windsor, now occupied? If so, by whom and at what rental?

4. Is the building at 81 Main street, government-owned property?

Mr. Fournier (Hull):

1. In a rented building.

2. (a) From Mr. Morris Weisdorf. (b) At an annual rental of $4,560, including all services except minor repairs.

3. No.

4. Yes.

INTERNATIONAL JOINT COMMISSION—CANADIAN MEMBERS

Mr. Lennard:

1. How many members of the international joint commission of the St. Lawrence deep-sea waterways is Canada entitled to?

2. How many have been appointed by Canada to this commission?

3. Who are they?

4. Are any of them engineers?

5. If not, what are the reasons for not appointing one or more engineers to this commision?

Mr. St. Laurent:

A distinction must be made between the Great Lakes-St. Lawrence basin commission and the international joint commission.

If the Great Lakes-St. Lawrence basin agreement of 1941 is approved and ratified by the United States and Canada, duties in connection with the St. Lawrence deep-sea waterways will devolve upon the Great Lakes-St. Lawrence basin commission, set up under the terms of that agreement, and not upon the international joint commission. The Great Lakes-St. Lawrence basin commission will consist of not more than ten members of whom an equal number will be appointed by the United States and Canadian governments respectively.

Since the commission is not yet in existence, the following answers refer to the international joint commission set up under the terms of the Boundary Waters treaty of 1909.

1. Three.

2. Three.

3. The Hon. J. A. Glen, the Hon. George Spence, General the Hon. A. G. L. McNaughton.

4. Yes. General McNaughton is a graduate engineer. Mr. Spence has had practical engineering experience.

5. In view of answer to No. 4, no answer is necessary.

BURLINGTON, ONT., PUBLIC BUILDING

Mr. Lennard:

1. Are the additions and alterations to the Burlington public building being done on a cost plus basis or by contract?

2. When will this job be completed?

3. How much has been spent to date?

Mr. Fournier (Hull):

1 and 2. No work yet undertaken.

3. Nil.

UNITED STATES BASES IN NEWFOUNDLAND

Mr. Higgins:

1. Is a new agreement being formulated between United States and Canada with respect to the United States bases in Newfoundland?

2. If so, when is it expected this agreement will be finalized?

Mr. Pearson:

1. The practical application of certain aspects of the bases agreement of 1941 is under consideration by the permanent joint board on defence (Canada-United States) which will no doubt report to the Canadian and United States governments in due course.

2. Answered by No. 1.

NEWFOUNDLAND—REIMBURSEMENT FOR RAILWAY EQUIPMENT

Mr. Higgins:

What was the amount by which Newfoundland was reimbursed for payments made before March 31, 1949, for railway equipment not delivered until after March 31, 1949?

Mr. Belzile: $225,600.

Questions

TRANS-CANADA HIGHWAY—CHOICE OF ROUTE

Mr. Stewart (Yorkton):

1. In the conference held between the dominion government and the representatives of the provincial governments in December, 1948, was the route of the trans-Canada highway selected through all nine provinces represented thereat, and agreed upon?

2. At such conference did a committee of the dominion government refuse to proceed with negotiations regarding the sharing of costs of the trans-Canada highway following the alleged agreement of the nine provinces to the route and specifications thereof?

3. As a result thereof, was the project held up for an entire year?

4. Have all of the said ten provinces of Canada now agreed on the route of the trans-Canada highway, and if not, what provinces have not agreed?

5. If all the provinces have agreed, what was the date on which the last of such provinces to agree did agree?

6. Following a further conference held in December, 1949, did the federal government agree to submit an agreement to the ten provinces, and if so, has such agreement been submitted, and in what form?

7. What government selected the route through the province of Saskatchewan, and when was such selection communicated to the federal government?

Mr. Prudham:

1. No.

2. No. The subject of the sharing of costs was not on the agenda and only incidental references were made to it.

3. No.

4. No agreements have been signed with any province.

5. Answered by No. 4.

6. A draft agreement was forwarded to all provinces on March 1, 1950.

7. The selection of route is a matter for the provinces. Saskatchewan indicated a choice at the conference in December, 1948, and confirmed it on January 14, 1949.

MAYO MINING DISTRICT, YUKON—HYDRO-ELECTRIC POWER

Mr. Green:

1. Did the government have surveys and investigations made during 1948 and 1949 in Mayo mining district of Yukon in anticipation of installing a hydroelectric generating plant?

2. If so, what have such surveys and investigations cost?

3. Has the government decided to install such a plant in said district? If so, what is the estimated cost of such installation, and when will such installation be commenced?

4. If such plant is installed, will it be operated by the government as a public utility? If not, how will it be operated?

5. Will all mining companies and individuals mining in that mining district and requiring electric power be furnished with it to the extent of the plant's capacity, and at approximately what rate?

6. Will any mining company have priority in being supplied with power from said plant, and if so, what company?

[Mr. Belzile.]

Mr. Prudham:

1. Surveys and investigations were carried out on behalf of the government during 1949 to determine the feasibility of hydroelectric power development on the Mayo river.

2. The amount spent to date is $45,063.16.

3. No final decision has as yet been reached.

4. See answer to No. 3.

5. See answer to No. 3.

6. See answer to No. 3.

ST. JEAN L'EVANGELISTE, QUE., RURAL MAIL SERVICE

Mr. Courtemanche:

1. Who is the mail carrier at St. Jean l'Evangeliste, Bonaventure county?

2. Was his contract awarded following tenders? If so, on what date, and in what amount?

3. What was the amount paid prior to the renewal of the contract?

Mr. Rinfret:

1. Edouard Quinn, Jr., contractor for conveyance of mail between Robitaille and Canadian National railway station (Nouvelle) via St. Jean l'Evangeliste.

2. Yes. 1st March, 1947. $850 per annum.

3. $519.50 per annum.

CIVIL AIRCRAFT PILOTS—OCCUPATIONAL DISABILITIES

Mr. Benidickson:

What efforts are being made by the Department of National Health and Welfare to control, alleviate or eliminate the occupational disabilities that develop among professional civil pilots?

Mr. Martin: The most common occupational disabilities that develop among professional civil pilots are:

(1) Damage to the hearing mechanism caused by the vibration and noise of aircraft and radio navigation aids, and

(2) Flying fatigue.

Regarding (1), the Department of National Health and Welfare is making a complete survey and study of all causes and effects of hearing damage among civil pilots. This is aimed at establishing ways and means of early recognition of such damage and will establish the patterns whereby civil pilots and the Department of Transport will be advised of necessary control measures.

Regarding (2), this problem has been under study by the Department of National Health and Welfare for some months. Following the completion of this study the department will suggest appropriate hours of flight duty and rest periods for civil pilots, within limits that are economically sound and still consistent with maximum flight safety.

LEIPZIG FAIR—OFFICIALS IN CANADA

Mr. Adamson:

Are there any officials of the Leipzig fair in Canada?

Mr. Harris (Grey-Bruce): Not as far as it is known.

FOOD AND DRUGS ACT

Mr. Whiteside:

What action was taken (a) during the fiscal year 1947-48; (b) during the fiscal year 1948-49, against those, if any, who contravened the requirements of the Food and Drugs Act and regulations?

Mr. Martin:

(a) It was found necessary to undertake 53 prosecutions. In addition, 136 lots of adulterated or misbranded foods or drugs were seized and destroyed or otherwise disposed of to prevent injury to health, or fraud; 464 shipments from abroad were refused entry into Canada because of adulteration or misbranding; and 1,057 warnings were given to the trade for borderline products and first offences of a minor nature not affecting health.

(b) There were 65 prosecutions, 106 seizures, 465 import shipments refused entry, and 789 warnings given.

ARMOURIES, DRILL HALLS AND URBAN TRAINING CENTRES

Mr. Pearkes:

What armouries, drill halls and urban training centres for the Royal Canadian Navy, the Canadian Army, or the Royal Canadian Air Force are at present under construction in Canada?

Mr. Blanchette: Royal Canadian Navy, none; Royal Canadian Air Force, none; Canadian Army, an armoury at Sault Ste. Marie, Ontario.

INCOME TAX—FARMERS—PROSECUTIONS

Mr. Thatcher:

During the first two months of 1950, how many prosecutions have been launched against farmers, who have failed to file income tax returns in (a) Quebec; (b) Ontario; (c) Manitoba; (d) Alberta; (e) Saskatchewan?

Mr. McCann: No information available as statistical records are not maintained by the taxation division with respect to the occupation of delinquent taxpayers against whom proceedings have been instituted for failure to file income tax returns.

WAR VETERANS ALLOWANCES

Mr. Knowles:

1. How many Canadian veterans of world war I, not now eligible for any benefits under the provisions of the War Veterans Allowance Act, could qualify for an allowance thereunder if the United Kingdom were declared a theatre of war in world war I for the purposes of the said act?

2. How many widows of Canadian veterans of world war I, not now eligible for any benefits under the provisions of the War Veterans Allowance Act, could qualify for an allowance thereunder if the United Kingdom were declared a theatre of war in world war I for the purposes of the said act?

Mr. Mutch:

1 and 2. Statistics covering these categories have never been compiled.

Estimated number of veterans alive today who served during world war I in the United Kingdom but not in an actual theatre of war as presently defined in the War Veterans Allowance Act: 51,000. Of this number it is not known how many would qualify from the standpoint of financial or other statutory considerations to receive war veterans' allowance.

Estimated number of widows of veterans who served during world war I in the United Kingdom but not in an actual theatre of war as presently defined in the War Veterans Allowance Act: 7,600. Of this number it is not known how many would qualify from the standpoint of financial or other statutory considerations to receive war veterans' allowance.

VETERANS AFFAIRS—HOSPITALIZATION OF MENTAL PATIENTS

Mr. Knowles:

1. Has the Department of Veterans Affairs any hospitals, or wards in D.V.A. hospitals, for the treatment of mental patients?

2. How many veterans are hospitalized as mental patients?

3. Of these, how many are in D.V.A. institutions, and how many are in other hospitals, or other institutions?

4. Of those in other hospitals or institutions, what are the figures by provinces?

Mr. Mutch:

Return as at February 28, 1950:

1. Yes.

2. Departmental patients: 2,171.

3. In D.V.A. institutions: 1,212; in other institutions: 959.

4. Newfoundland, 16; Prince Edward Island, 12; Nova Scotia, 32; New Brunswick, 3; Quebec, 36; Ontario, 211; Manitoba, 126; Saskatchewan, 128; Alberta, 128; British Columbia, 228; outside Canada, 39.

PATRONAGE

Mr. Knowles:

1. Who administers, handles, or has charge of, the patronage, on behalf of the federal government, in or for each of the following electoral districts: Beauce, Chicoutimi, Labelle, Papineau, Three Rivers, Brant-Wentworth, Broadview, Carleton, Danforth, Dufferin-Simcoe, Eglinton, Elgin, Frontenac-Addington, Greenwood, Grenville-Dundas, Haldimand, Hamilton West, Hastings-Peterborough, Huron North, Lambton West, Lanark, Middlesex East, Peel, Peterborough West, Prince Edward-Lennox, Simcoe

North, Victoria (Ontario), Waterloo South, Wentworth, York East, York South, York West, and Annapolis-Kings?

2. Who administered, handled, or had charge of, the patronage, on behalf of the federal government, during the first six months of 1949, in or for each of the following electoral districts: Kamouraska, Jacques Cartier, Prescott, and Restigouche-Madawaska; who handled it, in each case during each of the following months: July, August, September, and October, 1949, and who now handles it, in each case, and as from what date?

Mr. Knowles:

1. Does anyone other than the sitting Liberal member administer, handle, or have charge of, the patronage, on behalf of the federal government, in or for any electoral district in Ontario or Quebec at present represented by a Liberal member?

2. If so, in, or for what electoral districts is such the case, and who does handle it in such cases?

Mr. St. Laurent: These questions are somewhat similar in substance to questions asked by the same hon. member on the first of March to which I gave the answer that is reported at page 352 of *Hansard*. In form, and especially in the French translation, the question is quite objectionable. In the French translation it reads:

De qui relève, qui effectue ou à qui est confiée la distribution des faveurs ministérielles, pour le compte du gouvernement fédéral...

The English translation of the French is "the distribution of ministerial favours for the account of the federal government." There are no ministerial favours and nothing which could be translated as "ministerial favours" if that is what is meant by patronage. The question in English reads:

Who administers, handles, or has charge of, the patronage on behalf of the federal government . . .

No one has charge of patronage on behalf of the federal government. It may be that certain members or persons make recommendations to ministers about appointments or other matters in connection with the public service, but no one handles or administers patronage for the federal government. The only knowledge I have of anything of that kind is that one of the defeated candidates in a by-election asked me who was going to handle patronage. I told him that to my knowledge there was no patronage, that there were persons who made certain recommendations to which more or less importance was attached, but that was all there was to it. I think this is the kind of partisan political warfare which should not be spread upon the orders of the day.

Mr. Knowles: Mr. Speaker, I will comment on this matter on a more appropriate occasion, when I have time.

An hon. Member: Who does it in Saskatchewan?

[Mr. Knowles.]

Mr. Knowles: I will do it now if you will let me.

Mr. Speaker: Dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

AGRICULTURAL PRODUCTS—IMPORTS FROM U.S.

Mr. Hatfield:

1. What was the quantity and value of agricultural commodities imported from the United States in the years 1940 to 1949?

2. What quantity and value of fresh fruits and vegetables were imported from the United States from 1940 to date?

Mr. McIlraith: Return tabled.

PRAIRIE FARM ASSISTANCE

Mr. Ross (Souris):

1. Under the Prairie Farm Assistance Act, 1939 to date, what amount of money has been deducted from sale of grain at one per cent, and paid into fund by the producers within the provinces of (a) Manitoba; (b) Saskatchewan; (c) Alberta?

2. What amount of money has been or will be paid out, 1939 to the end of the 1949 crop year, to producers, by provinces, under the act?

3. How many townships or part townships in each province have qualified for payments under the act during 1949?

4. How many of the same townships, by provinces, have qualified under the act since and including 1939: (a) 2 years; (b) 3 years; (c) 4 years; (d) 5 years; (e) 6 years; (f) 7 years; (g) 8 years; (h) 9 years; (i) 10 years?

Mr. Pearson: Return tabled.

CARRIAGE OF MAILS BY RAILWAYS

Mr. Knowles:

1. During each of the years 1947, 1948 and 1949, what was the total amount of mail carried (a) by the Canadian Pacific Railway, and (b) by the Canadian National Railways between points served by both railways?

2. Has the government received representations calling for an attempt to equalize the distribution of mail as noted above?

3. If so, what action has been taken on such representations?

MINISTERS AND PARLIAMENTARY ASSISTANTS—TRAVELLING EXPENSES

Mr. Fraser:

1. What was the cost of travelling expenses for each cabinet minister and each parliamentary assistant during the year 1949?

2. Does this cost include the cost of maintaining private railway cars, air travel, travel by R.C.A.F. planes, and hotels?

3. If not, what items does it not include?

4. What was the cost of the above for the first two months of 1950?

NEWFOUNDLAND—POSTAL REVENUE

Mr. Browne (St. John's West):

What is the amount of revenue received by the Department of the Postmaster General in Newfoundland for the eleven-months period ending February 28, 1950?

IMPORTS OF FUR PELTS

Mr. Lennard:

1. How many fur pelts were imported into Canada from January 1, to December 31, 1949?
2. How many of each variety, and from what countries were they imported?

Mr. McIlraith: Return tabled.

HAND GRENADES

Mr. Fraser:

1. Have any hand grenades been manufactured in Canada during the last five years?
2. If so, were these hand grenades manufactured for the Department of National Defence only?
3. If not, were any of the hand grenades sold to firms or individuals in Canada?
4. Were there any hand grenades in the possession of the Department of National Defence in Canada at the end of world war II?
5. If so, were any of these hand grenades sold, and to whom?
6. Is it permissible for any organization, police department, individual or group of individuals to be in possession of hand grenades in Canada?

PRICES INVESTIGATIONS, 1948—COST OF PRINTING

Mr. MacInnis:

What was the total combined cost including printing of the reports of the special parliamentary committee on prices, 1948, and the royal commission on prices, 1948?

Mr. Pearson: Return tabled.

WESTERN MONITORING SERVICE—UNIVERSAL PERSONAL SERVICES

Mr. Knowles:

1. Has the government any information about Western Monitoring Service and/or Universal Personal Services, of No. 8, 712 Robson street, Vancouver?
2. What persons are connected with or operate the same?
3. What are the sources of their revenue?
4. What is the nature and purpose of their work?

Mr. Pearson: Return tabled.

LABELLE, QUE., POST OFFICE

Mr. Courtemanche:

1. What monthly salary or other remuneration was paid by the Post Office Department to the postmaster of Labelle village for the year 1949?
2. What is the rental paid at present by the Department of Public Works to the postmaster of the said village for his office, heating included?

Mr. Pearson: Return tabled.

VETERANS AFFAIRS—PRIVATE MARTIN SOUCY—MEDICAL EXAMINATIONS

Mr. Pouliot:

1. Was Private Martin Soucy, E-6082, classed "A" on or about June 19, 1941, at the time of his enlistment?
2. What was his Pulhems when he was examined by army doctors in 1943?
3. In 1943, was his Pulhems as follows: 1-1-1-1-1-2-1?
4. In 1944, was his Pulhems as follows: 3-1-1-1-1-4-4?
5. On or about May 14, 1945, was he advised by the government that he was suffering from varicocele and that such disease was prior to his service?
6. If so, how could he have been classed "A" at the time of his enlistment in June, 1941?
7. Why have the P M S of his Pulhems been lowered in 1944 from 1 to 3, 2 to 4 and 1 to 4, respectively?
8. On what dates was he examined by army doctors after his enlistment, and what are the names of such doctors?
9. Since his discharge, on what dates and in what localities was he examined by doctors of the Department of Veterans Affairs, and what are the names of the said doctors?

Mr. Pearson: Return tabled.

FEDERAL GOVERNMENT DEPARTMENTS—LONG DISTANCE TELEPHONE CALLS

Mr. Fraser:

What was the total cost of (1) long distance calls; (2) telegrams, for (a) each department; (b) each section of each department of the dominion government, for the year 1949?

GOVERNMENT PRINTING CONTRACTS

Mr. MacInnis:

1. Does the government have printing done by private firms?
2. If so, are tenders called for such printing?
3. For how many printing jobs were tenders called in the fiscal year 1948-49?
4. What was the total value of such printing contracts?
5. Was the tender price of any printing contracts raised after the contract had been let?
6. If so (a) on how many contracts; (b) what was the total amount of such increases in the period mentioned?

FEDERAL GOVERNMENT PUBLICITY DIVISIONS

Mr. Fraser:

1. What departments of the federal government have information or publicity divisions?
2. How many employees are in each of these divisions as (a) permanent civil servants; (b) temporaries?
3. What is the total cost of operating each of these divisions?

PREMISES IN OTTAWA OCCUPIED BY CERTAIN GOVERNMENT DEPARTMENTS

Mr. Diefenbaker:

What premises in the city of Ottawa, if any, have been occupied by either the Department of the Secretary of State for External Affairs or the privy council, under lease or for which rental or payment for occupancy has been made since the first day of January, 1940?

DRYDEN, ONTARIO, POST OFFICE—BOXES

Mr. Benidickson:

1. How many post office boxes are available for rental in the post office at Dryden, Ontario?
2. Are there any unfilled requests for post office boxes at this office? If so, how many?
3. At what date was the longest standing unfilled request for a post office box submitted?
4. What plans are there for increased facilities to meet the unfilled requests for post office boxes at Dryden post office?

Proposed Legislation

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

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

That it is expedient to present a measure to amend the Continuation of Transitional Measures Act, 1947, to provide that the act shall expire on the 30th day of April, 1951.

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

Motion agreed to.

AGRICULTURAL PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE ON AND AFTER MARCH 31, 1950

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

That it is expedient to introduce a measure to provide that the Agricultural Prices Support Act, 1944, shall continue in force on and after the thirty-first day of March, 1950.

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

Motion agreed to.

FISHERIES PRICES SUPPORT ACT

PROVISION FOR CONTINUATION IN FORCE

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

That it is expedient to introduce a measure to provide for the continuation in force of the Fisheries Prices Support Act, 1944.

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

Motion agreed to.

WAR VETERANS ALLOWANCE ACT

PROVISION OF BENEFITS FOR CERTAIN FORMER MEMBERS OF FORCES OTHER THAN CANADIAN

Hon. Milton F. Gregg (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the War Veterans' Allowance Act, 1946, to provide benefits for certain former members of His Majesty's forces other than Canadian and for certain former members of the forces of His Majesty's allies or of powers associated with His Majesty, which forces participated with Canada in wars concluding on or before the 31st day of August, 1921, who have resided in Canada for not less than twenty years, and to provide further for decentralizing the administration of the act.

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

Motion agreed to.

OLD AGE SECURITY

APPOINTMENT OF JOINT COMMITTEE TO STUDY LEGISLATION, ALTERNATIVE METHODS, ETC.

The house resumed from Friday, March 10, consideration of the motion of Mr. Martin.

That a joint committee of both houses of parliament be appointed to examine and study the operation and effects of existing legislation of the parliament of Canada and of the several provincial legislatures with respect to old age security; similar legislation in other countries; possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles; the probable cost thereof and possible methods of providing therefor; the constitutional and financial adjustments, if any, required for the effective operations of such plans and other related matters;

That 28 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto;

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

And the proposed amendment thereto of Mr. Knowles, and the amendment to the amendment of Mr. Hansell.

Mr. Speaker: When this motion was before the house last Friday two amendments were moved. The deputy chairman (Mr. Beaudoin) was in the chair at the time, and while he did not say it in so many words he did bring to the attention of the house the possibility that the amendments might not be in order. I believe we should dispose of that question now.

It seems to me there are several reasons why the amendments might not be in order.

The deputy chairman mentioned standing order 50; and it occurred to me that the amendment might not be in order because the motion before the house is wide enough to include the contents of the amendment. As to the amendment to the amendment, it occurs to me that it would be irregular in that it is not actually an amendment of the amendment. But there is another difficulty in connection with it; that is it widens the scope of the motion before the house, and according to our rules I doubt whether that may be done.

I mention these points in order that hon. members will see my difficulty

Mr. Knowles: If I may speak to the questions that have been raised both by the deputy chairman last Friday evening and by you, sir, tonight, I believe my amendment is in order; and I also feel that the hon. member for Macleod (Mr. Hansell) should have the right, at least at the proper stage, to move an amendment in the terms of the one he has proposed

Reference has been made to standing order 50. That reference appears in *Hansard* for March 10 at page 672. Standing order 50, found at page 129 of Beauchesne's third edition, reads:

A motion to refer a bill, resolution or any question to the committee of the whole or any standing or special committee shall preclude all amendment of the main question.

I think it is fair to say that this standing order has been cited in debates on points of order a number of times, and it does create confusion in the minds of some hon. members. It seems to me, however, that if we take a moment to analyse the standing order its wording is clear, and the logic of it is also quite clear. Standing order 50 says in effect that if there is before the house a proposition that I will call A, whether it is a resolution, a bill or a question, and then some hon. member moves what I shall call B, namely a motion to refer A to the committee of the whole or to some standing or special committee, then it is not in order for someone else to try to get around B over to A. In other words as long as there is a motion before the house to refer the earlier question—the question of substance—to a committee, it is not in order to try to get around that motion of reference to amend the terms of the main motion.

I point out, however, that what we have before the house in the motion of the Minister of National Health and Welfare (Mr. Martin) is not a motion to refer anything at all. It is a motion for the appointment of a committee, a substantive motion in itself. It so happens that the word "refer" does not even appear in the motion. Indeed, as yet there is no committee to which this subject could be referred. So I repeat that what is before us is a motion to appoint a committee.

Then I ask Your Honour to take note of standing order 38, found at pages 87 and 88 of Beauchesne's, third edition. It is lengthy and I shall not read it all, but please note:

The following motions are debatable: Every motion—

Then follow a series lettered from (a) to (m), and included therein is:

(j) for the appointment of a committee.

There we have clearly stated a rule which applies to the motion before the house. It says that motions such as this one are debatable. Then if Your Honour will note subsection (2) of standing order 38, it says:

(2) All other motions, including adjournment motions, shall be decided without debate or amendment.

Surely it is clear from subsection (2) of standing order 38, which says that other motions shall be decided without debate or amendment, that the motions referred to in subsection (1) paragraphs (a) to (m) are subject to both debate and amendment. In other words I submit it is quite clear that the kind of motion we now have before us, that is a motion for the appointment of a committee, is subject to both debate and amendment; and it is under that right to amend the motion that I claim my right to move my amendment, and also because of that right I submit that standing order 50 does not apply to a motion of this kind.

The Acting Speaker on March 10 also asked us to note certain instances in *Hansard* of bygone years, and in the *Journals*. I have looked up the two references he gave us at that time. The first was to page 2588 of *Hansard* for May 17, 1929, which relates to a motion for Mr. Speaker to leave the chair for the house to go into committee of the whole on a certain proposed money resolution. The leader of the opposition of that day sought to amend the terms of the resolution; and Mr. Speaker, I think correctly, applied standing order 50.

Mr. Speaker: Order. I wonder if the hon. member, having spoken to the point raised concerning standing order 50, would direct his remarks to the other difficulty I mentioned; that is, that the motion before the house is wide enough to include his amendment.

Mr. Knowles: I shall be glad to do that in just a moment, if you will just let me say one other word about amendments to motions of this kind. What I want to say follows what I have been talking about thus far and also

relates to the point to which you have now directed my attention. I would like you to note that on four occasions, the references to which I can give you, motions to set up committees and indicate their terms of reference have been amended. In at least one of the cases it might have been argued that the enlargement of the terms of reference asked for was already in the motion; but the amendment was permitted. The first of these four cases was in 1925, as found in *Hansard,* May 1, page 2750. That case is parallel to what we have at the present time—

Mr. Speaker: May I interrupt the hon. gentleman again? I should like to dispose of this matter tonight, and since it is getting close to eleven o'clock, may I say to him now that, from what I have heard, I shall not base my ruling on standing order No. 50. I should like to hear his representations with respect to the other point which I raised.

Mr. Knowles: All right, Mr. Speaker; thank you. I did not understand that before, but in the light of your remarks, I shall not have to go ahead with the other three cases in which amendment of a motion of this kind was permitted.

In respect to the point to which Your Honour directed my attention, I ask you to note citation 537 of Beauchesne's third edition, which is taken from page 469 of Bourinot. It reads as follows:

> A committee can only consider these matters—

I believe that is a misprint; it should read "those matters".

> —which have been committed to it by the house. A committee is bound by, and is not at liberty to depart from, the order of reference.

Now, it is that sort of restriction that is placed on a committee to stick to its terms of reference that makes me feel that the main motion, as worded by the minister, is not sufficiently wide to permit the committee to do what I request in my amendment.

The motion as worded by the minister says that the committee can examine and study the operation and effects of existing legislation in Canada and other places. Here is the crux of the matter. It can examine and study possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles. I do not need to refer to the rest of the motion, as it does not relate to the point. There is the crux of the matter, and the crux of the crux, if I may say so, is the word "alternative". This motion gives the committee the right to study possible alternative measures. I am satisfied that if I were a member of that committee, and I moved that we study the possibility of recommending, not an alternative measure, but the removal of the means test from the present old age pension, I would be told by the chairman that that went beyond the terms of reference.

It is to make it absolutely clear that we have the right to discuss the proposal I make that I feel my amendment should be placed before the house. The Minister of National Health and Welfare (Mr. Martin) expressed the other view, namely, that the terms were wide enough. I feel that if that is the case he should not object to my amendment; there would be no harm in making sure. It is not just on that ground that I argue for it. I contend that once we get into that committee, we will not have the right to do what I feel we should do unless this enlargement of the terms of reference is made.

Mr. Pouliot: I wonder whether the member for Winnipeg North Centre (Mr. Knowles) or the leader of the opposition has a first mortgage on the floor of the house? Since the opening of the session, they have taken up all the time of the house. The member for Winnipeg North Centre has been splitting hairs again about a motion. The question is just as clear as crystal water or daylight at noon. Here is the part of the motion which interests the hon. gentleman:

> . . . possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles;

Well, the committee is supposed to report to the house. Who ever heard of a committee being empowered by the house to pass regulations or being substituted for the house to enact legislation? The house will act upon the recommendations which the committee submits to it, and my hon. friend knows it.

To the previous quotation the hon. member added after the words "contributory insurance principles":

> . . . and also the possibility of the immediate removal of the means test from the present old age pension.

I believe that is exactly the subject that would be submitted to the committee. Since the hon. gentleman expects to be a member of the committee, he will have an opportunity of suggesting that the committee take immediate steps to do what he requests. It will be up to the committee to decide whether or not that is the thing to do in due course. The reason I object to the amendment submitted by the hon. gentleman is that it is redundant. I am not resuming the debate on the motion; I am merely arguing the point of order, and stating the reason why the amendment should not be accepted.

Mr. Speaker: I wish to thank hon. members for the assistance which they have given to me.

During Friday's debate on the motion of the Minister of National Health and Welfare to appoint a joint committee on old age security, a proposed amendment was moved by the hon. member for Winnipeg North Centre (Mr. Knowles) and a proposed subamendment by the hon. member for Macleod (Mr. Hansell). During the course of the debate the deputy chairman of committees, who was then in the Speaker's chair, issued a caveat concerning the admissibility of the proposed amendment and subamendment.

I have listened with interest to the very able and cogent arguments which have been advanced to the effect that standing order 50 is not applicable and it may be that on another occasion serious consideration may have to be given to these representations. There are, however, other precedents which must be considered at this time. For instance Bourinot, in his Parliamentary Procedure, fourth edition, at page 316, states clearly that:

> The object of an amendment is to effect some alteration in a question . . .

Proposed amendments which neither add to nor subtract from the main motion have been held to be inadmissible. (See Canadian Commons *Journals*, 1948, volume 74, page 229, and House of Commons Debates for March 8, 1948, at page 1993, and Beauchesne's third edition, citation 407.)

The main motion, in this instance, empowers the proposed joint committee to examine and study "possible alternative measures of old age security for Canada, with or without a means test for beneficiaries, including plans based on contributory insurance principles." The proposed amendment of the hon. member for Winnipeg North Centre would insert immediately thereafter the following words:

> . . . and also the possibility of the immediate removal of the means test from the present old age pension;

It seems clear that the words "possible alternative measures of old age security for Canada" are sufficiently broad to cover the removal of the means test from the present old age pension. It seems equally clear that the concluding words:

> . . . with or without a means test for beneficiaries, including plans based on contributory insurance principles,

were not intended to, and do not in fact, limit in any way the generality of the immediately preceding words. This being so, I must conclude that the proposed amendment adds nothing to and subtracts nothing from the main motion. Since the proposed amendment is otiose, I must rule that it is out of order. Moreover, even if the proposed amendment would, in fact, have conferred wider powers on the committee, it would in my view have run counter to citation 546 of Beauchesne's third edition, which reads as follows:

> When the house is considering a motion, of which notice has been given, for the appointment of a select committee, a member cannot move an amendment that the committee be given wider powers than those which were set down in the notice.

I believe that citation applies particularly to the subamendment which was moved by the hon. member for Macleod.

It reads as follows:

> That the following words be added to the end of the first paragraph, "and to examine the possibility of granting pensions to incurables who are unable to earn a livelihood."

The amendment being out of order, the proposed subamendment is of course also out of order. However, while it is not necessary for me to do so, I should perhaps add that, in any event, it does not purport to amend the amendment, and therefore it would be inadmissible as a subamendment. (See Beauchesne's Parliamentary Rules and Forms, third edition, citation 364.) Moreover, even if moved as an amendment, it would in my view be out of order under citation 546 of Beauchesne's third edition.

Mr. Knowles: May I ask one question? I am not going to appeal your ruling or present further argument. May I ask one question?

An hon. Member: Order.

Mr. Knowles: May I?

Mr. Speaker: Yes.

Mr. Knowles: Would I be correct in understanding that your ruling that what I asked to be included is not necessary means that the terms of reference do make it possible for the committee to discuss the possibility of removing the means test from the present old age pension?

Mr. Martin: No doubt about that.

Mr. Cote (Verdun-La Salle): He mentioned it.

Mr. Speaker: My ruling was that the amendment adds nothing to nor subtracts in any way from the motion.

Mr. Knowles: That will hold in the committee.

On motion of Mr. Pouliot the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we shall go into supply and take up the estimates of the Department of National Defence. If the items carry we shall revert to government notices of motion.

It being five minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, March 17, 1950

The house met at three o'clock.

REPORTS AND PAPERS

Summary of orders in council passed during the period February 1 to February 28, 1950.—Mr. St. Laurent.

Final report on the activities of the Fraser Valley diking board from its inception on July 22, 1948, to March 1, 1950.—Mr. Howe.

Report of the administration of the Farmers' Creditors Arrangement Act, 1943, for the fiscal year ended March 31, 1949.—Mr. Sinclair.

Order in council, P.C. 5460, dated October 27, 1949, authorizing the granting of *modus vivendi* licences to United States fishing vessels visiting Canadian Atlantic coast ports during 1950.—Mr. MacNaught.

HOUSE OF COMMONS

ST. PATRICK'S DAY—PRESENTATION OF SHAMROCK TO MR. MCIVOR BY PAGE BOYS

Mr. Daniel McIvor (Fort William): Mr. Speaker, since the day when a page boy, Romeo Latreille, rescued a girl from drowning in the river near Ottawa on a Sunday afternoon, I have had high regard for the page boys. I appreciate the emblem of my native land, now on my desk, donated by them. It keeps fresh the memory of the patron saint of Ireland; and I am sure hon. members feel grateful for the splendid stuff of which the page boys and their leaders are made.

INCOME TAX

FARMERS—PROSECUTIONS—REFERENCE TO ANSWER TO QUESTION ON MARCH 16

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, I rise on a question of privilege. Last night a question was answered in which I had asked how many prosecutions had been launched against farmers who had failed to file income tax returns in several of the provinces. The answer given by the minister was that no information was available. In my hand I hold a copy of the Winnipeg *Free Press* of March 7, in which it is stated that in the first two months of this year, in all Canada, 1,953 farmers were prosecuted. My point of privilege is this: If the department can give a newspaperman the full figure, it should be able to give members of parliament a break-down of that figure.

I hope the minister will reconsider the answer to my question, and try to give a break-down. I am particularly interested in the prosecution of farmers in Quebec and Saskatchewan.

Mr. J. A. Ross (Souris): I should like to ask the Minister of National Revenue a supplementary question. In addition to the publicity in the papers about income tax prosecutions, can the department give the number of prosecutions that have been properly asked for? The farmers of Manitoba are just as much interested in this controversy as are the farmers of other provinces.

Mr. McCann: I shall take the hon. member's question as notice. The answer given to the hon. member for Moose Jaw was a correct answer, and the only one available, because we do not keep the statistics by occupations. That is why we are not responsible for press comments with reference to the number of prosecutions in any part of Canada.

Mr. Thatcher: May I ask, as a supplementary question, how the minister's department got the total farm figures for the newspapers?

Mr. McCann: I am not in a position to answer that question at the moment.

Mr. M. J. Coldwell (Rosetown-Biggar): Is it not a fact that we do get, when we ask for it, the number of farmers, by provinces, who pay income tax? That information has been given before, because I am sure I have asked for it.

Mr. McCann: That may be true, but it entails a lot of work, because our essential statistical records are not kept by occupations.

RADIO BROADCASTING

REFERENCE TO MOTION FOR APPOINTMENT OF SPECIAL COMMITTEE

On the order:

That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; that the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary; that the committee have power to meet while the house is sitting;

that the committee shall consist of the following members: Messrs. Balcer, Boisvert, Cote (St. Johns-Iberville-Napierville), Decore, Diefenbaker, Fleming, Fulton, Gauthier (Portneuf), Gauthier (Sudbury), Hansell, Henry, Isnor, Kent, Knight, Langlois (Gaspe), Maybank, McCann, Murray (Cariboo), Richard (Ottawa East), Robinson, Riley, Smith (Moose Mountain), Smith (Calgary West), Stewart (Winnipeg North), and Whitman; that the presence of at least nine members shall be a quorum of the said committee; and that standing orders 64 and 65 be suspended in relation thereto.

Mr. McCann: Stand.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, on a question of privilege, I have waited since March 10 for this government notice of motion to be called. Every once in a while it is called and allowed to stand. I want to enter my protest against the make-up of the committee provided for by this motion, because it does not represent all the provinces of Canada.

Mr. Speaker: The motion is not before the house. The hon. member's remarks would be in order when the motion is moved.

Mr. McLure: I am not speaking to the motion; I am speaking on a question of privilege. I think it would be of benefit to the house if I were allowed to give my reasons.

Mr. Speaker: The hon. member for Queens may be correct and doubtless his reasons would be of benefit to the house, but I am afraid that under the rules of the house I cannot allow him to give them at the present time.

OIL AND GAS

QUESTION AS TO EXPORT TO THE UNITED STATES

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct a question to the Minister of Trade and Commerce. I was not in the house yesterday when the orders of the day were called, but I note that the minister is reported on page 792 of *Hansard* as having said:

> It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export.

Am I to understand from that statement that no export permit will be granted other than through an all-Canadian route?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Several members of the house have given information that they obtained from the principals behind the bill, and I have given information that I obtained from the principals behind the bill. I might say that I cannot understand the unnatural fear that certain hon. members have of letting these men come before a committee of the house where members of the house could find out what they intend to do.

Mr. Cruickshank: I take it the minister is not going to answer my question. Is that correct?

IMMIGRATION

GERMAN NATIONALS

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw): I should like to direct a question to the Minister of Citizenship and Immigration. Has the government recently given consideration to permitting the immigration of German nationals, particularly those who have Canadian relatives?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Yesterday, in answer to a question by the hon. member for Nanaimo (Mr. Pearkes), I pointed out that we do permit certain German nationals to enter Canada. In answer to the other part of the question, I would say that the government is always giving consideration to doing anything to improve its immigration laws, and if there is to be a change it will be announced in due course.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670, including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, since the last session of parliament a number of events have taken place regarding defence which I am sure will be of interest to the house.

Before the last session was concluded I left by R.C.A.F. North Star for the meetings of the military committee of chiefs of staff and the defence committee of defence ministers under the North Atlantic treaty. These meetings took place at Paris on November 30 and December 1.

On the military committee we were represented by Lieutenant General Charles Foulkes, chief of the general staff and chairman of our chiefs of staff committee, and we were accompanied by other officers representing all three services.

It will be remembered that the first meeting of the defence committee held at Washington in October created the various agencies to plan and co-ordinate collective action under the North Atlantic treaty. These agencies included a standing group consisting of representatives of the chiefs of staff of France, the United Kingdom and the United States; also five regional groups. Canada is a member of both the north Atlantic ocean group and the North American group. She is an observer on the western European group.

Since the Washington meeting all the groups had been established and made good progress in their planning.

The defence committee meeting at Paris received reports on this work and arrived at unanimous agreement on the following:

1. A strategic concept for the integrated defence of the north Atlantic area.

2. The means to be taken to arrive at a program for the production and supply of armament and equipment.

3. Co-ordination of planning between the various regional groups.

4. Additional steps to further defence planning of the North Atlantic treaty organization.

Since the Paris meetings, further action has been taken in the various regional groups.

Arrangements were approved at Paris to merge the day-to-day working of the western European group and western union, both of which have the same membership. As western union came into existence on March 17, 1947, the plans of that group are well advanced.

Work in the north Atlantic group is being carried right along as Canadian-American co-operation has continued without interruption since our wartime partnership. In connection with the North American group, the United States and Canadian chiefs of staff met together at Washington for the first time on January 17 of this year.

The north Atlantic ocean group is making good progress with its important problems.

Further meetings of the military production and supply board, the military committee and the defence committee will take place at The Hague on March 24, March 27 and April 1 respectively. I expect to leave for The Hague on March 25, accompanied by the same officers who went to the Paris meetings. Our representatives on the military production and supply board will already be there.

Under the North Atlantic treaty we have not made any specific commitment, but we have given the general undertaking contained in article 3 of the treaty to take such action as we deem necessary by means of continuous and effective self help and mutual aid to maintain and develop individual and collective capacity to resist armed attack. A second undertaking, as contained in article 5, comes into effect in the event of an armed attack against one or more of the signatories. That undertaking is to take such action as we deem necessary to restore and maintain the security of the north Atlantic area.

It is important to recognize that the fundamental contribution each partner in north Atlantic security must make in the event of an emergency is first to ensure as far as it can the security of its own territory, and then to make the maximum contribution to common defence. With the circumstances of the world as they are today, the defence of Canada, the defence of North America, the defence of the whole north Atlantic area are inseparable parts of the same problem.

During and following the North Atlantic treaty meetings in Paris, I took every opportunity to discuss defence arrangements with my opposite numbers from other countries and accepted invitations to visit defence establishments and to have talks in France, Belgium, Luxembourg, The Netherlands, as well as in the United Kingdom. In all these countries we received the warmest possible welcome, visited establishments of various kinds and obtained information of great value. Altogether during the whole trip we travelled 10,000 miles in the North Star and Dakota aircraft of the R.C.A.F., and despite bad weather we were able to fulfil every engagement in a complicated and full program. I was pleased the other day to hear the high praise of the R.C.A.F. by my colleague, the Secretary of State for External Affairs (Mr. Pearson), and to find that the experience of his party confirmed my own in travelling many thousands of miles in R.C.A.F. aircraft over the last three or four years. They are a fine service doing a great job.

The objects of our discussions in all these countries were:

1. To familiarize ourselves with defence problems, possibilities and programs in the western union countries.

2. To get to know better the defence ministers and ranking officers with whom we would have to work in connection with the North Atlantic treaty.

3. To secure information about the experience and practices of other countries by which to examine our own defence plans and to improve the efficiency of our own defence forces.

4. To examine the work and inspect the establishments of our military attachés and the Canadian joint staff in London.

Here are four general conclusions:

1. Neither war nor peace is inevitable, and it is plain that pending the proper operation of the United Nations, which still remains a main objective of our efforts, the best guarantee of peace is the collective strength of the north Atlantic powers.

2. The steps taken to implement the North Atlantic treaty, particularly the attitude of the United States, have increased the improbability of military aggression and strengthened the faith of the western European nations in the possibility of preventing aggression by collective action. Such improvement as there has been in the general outlook is shown by changes in the complexion of their governments. When I was last there in 1946 most of the countries visited had communists in their cabinets; today not one of them has a single communist.

3. Parallel to the organizational work, the exchange of information between countries is already resulting in increased co-operation as well as greater efficiency within each country. Progress is being made in the adoption of standard battle procedures and communications practices. The standardization of equipment is necessarily a longer job.

4. The greatest shortage is equipment as other commitments have so far prevented much production in quantity. We appear to be spending in proportion more on equipment than the other countries.

I saw much that will assist us in the further development of our own program and it was interesting to observe that we have made as much progress as any of these countries with regard to organization, officer training, defence procurement machinery, integration of defence research, reserve organization, equipment, training and recruitment, and, finally, conditions of service as regards pay, allowances, pensions, food, clothing and quarters.

In the United Kingdom, in addition to numerous talks with members of the government and high ranking officers, I spoke to the Imperial Defence college, visited the army cadet school at Sandhurst, the staff college at Camberly, a fighter station at Odiham, and the great naval establishment at Greenwich. Continuing dividends from this kind of visit are the personal friendships formed which lead to further co-operation.

In this connection I have an announcement to make which will be of considerable interest. One of the purposes of the trip was to look into the question of officer training and to see if there was a way in which the considerable facilities which we have in Canada could be utilized for the benefit of the North Atlantic treaty organization in general. Canada has had a unique experience of joint training. The British commonwealth air training plan produced 131,000 aircrew, of whom 71,000 were Canadians, the rest coming from the United Kingdom, Australia and New Zealand. It has been described on many occasions as one of the great contributions to allied victory in the air and everywhere. In addition, we trained considerable numbers of personnel from France, Belgium, The Netherlands and Norway. The son of our good friend, Mr. Pierre Dupong, the prime minister of Luxembourg, served in the Canadian forces.

At the present time we have reciprocal arrangements for training officers of the United States, the United Kingdom, France and Australia.

The recruiting of officers and men in our own active forces has been most satisfactory, and very soon we shall recruit and train officers and men only to replace normal retirements and discharges.

On this trip, therefore, without commitments on either side, I asked the defence ministers of the countries visited whether or not they thought it would be desirable for us to offer to have some of their officers come to Canada for part of their training. Several of the countries already have similar arrangements for training in other countries, though on a smaller scale than we had in mind. The replies received from ministers and service heads led me to recommend to my colleagues that we should make the offer.

It was recognized that this and other similar arrangements already in effect would give opportunities for officers to add to their professional knowledge and to get to know personally officers and men not only of Canada but also of the other countries with whom they would be working in the future. They would get to know something about this country, its geography and potentialities. This work would add to their knowledge of common procedures, and it would give them an opportunity to improve their knowledge of either of our two languages.

In my discussions I was struck by the fact that almost all the people with whom the idea was discussed recognized that it would have a very considerable psychological force in bringing home to us all the unity of purpose and the necessity for working together that we must all have if the full strength of the north Atlantic powers is to be fully developed.

Accordingly we have forwarded, through the representatives in Ottawa of the countries concerned, letters to the defence ministers of

the north Atlantic powers offering to train a total of 150 officers of the ground forces and 100 officers of the air forces from the various countries. It is assumed that the training proposed would last about a year, and that if the number of members of the other forces are available to come the plan would continue so there would be a continuing offer to train a total of 250 officers each year. The arrangements proposed do not contemplate any payments between countries. Later a reverse operation may be worked out whereby Canadian personnel would do training in other countries on a similar basis. This arrangement will be combined with the existing reciprocal arrangements that we have with the United Kingdom, the United States and France.

Hon. members will appreciate that the training in Canada of 250 officers from a number of different countries would represent a big program in training staffs, personnel and establishments compared with any similar peacetime arrangements. Training together would be an exercise in practical co-operation of the particular kind for which we in Canada are well qualified by experience and for which we in Canada have a proud record of achievement.

Turning now to events within Canada, a major event in Canada's defence and industrial history was the first flight on January 19 of the twin-engine jet all-weather fighter, the CF-100. This aircraft was specially designed and built in Canada, with a range and navigational instruments suited to Canadian conditions. The aircraft is at present fitted with two Rolls-Royce Avon engines. If flight tests prove successful, we propose to replace the engines with our own Orenda engines. It is believed that the Canadian-designed and built Orenda engine may be the most powerful in existence. The successful conjunction of the CF-100 and the Orenda engine would put our country some years in advance of any other in respect of meeting requirements for a long-range all-weather fighter. Those of us who were able to see the first Ottawa flight of the CF-100 last Saturday must have been struck by its powerful performance, and say with the test pilot, Bill Waterton, formerly of Camrose, Alberta: "We have an aircraft".

The development of the CF-100 is a remarkable achievement of designers, engineers and industry, in A. V. Roe Canada, Limited, working together and in fullest co-operation with the R.C.A.F. It is also a vindication of our faith in Canadian industry and Canadian skills. We invested a good many million dollars and, in an accelerated program, pressed on to develop a Canadian aircraft to meet Canadian conditions well in advance of similar efforts in other nations.

The first test flight of the CF-100 in Toronto last January was for me immediately followed by an inspection tour of the principal defence establishments in Manitoba, Saskatchewan and Alberta. On this trip I found that good progress was being made by both active and reserve units. Most striking was the fine co-operation between the navy, army and air force, the new teamwork between active and reserve as members of a single force, and the understanding support of veterans and others in the civilian community.

Three weeks ago I paid another visit to the west, this time to witness Exercise Sweetbriar. Leaving Rockcliffe on the morning of Monday, February 20, we travelled over 6,500 miles, returning Saturday night, February 25. Our object was to observe the closing stages of the exercise and to discuss at first hand with officers and men of the United States and Canadian forces their impressions of the food, equipment and training, as well as the strategical possibilities of the far north and the lessons learned from their work together.

The exercise has been very fully reported in the press of both countries, and I shall confine myself to a brief summary. I should like, however, to express appreciation to the press of the fair and full account they gave.

The main object of the exercise was to develop doctrine and procedures for the employment of combined Canadian and United States forces operating in the Arctic and under Arctic conditions and to test in the field the latest developments in clothing, food, aircraft, vehicles, weapons and other equipment and material.

The exercise began on February 13 and concluded on February 23. Over 5,500 personnel of the United States and Canadian armies and air forces took part, about one-half being Canadians.

The tactical assumption was that an aggressor force had captured the air field at Northway in Alaska and had moved down the northwest highway almost the whole 350 miles to Whitehorse. The task of the allied force was to drive the aggressor back and recapture the air field.

In preparation for the exercise, the great majority of the 1,457 Canadian army personnel involved had trained at Wainwright under even more severe conditions than those prevailing during the exercise. The period of training altogether covered about seven weeks.

For all of the eleven days of Exercise Sweetbriar, and for most of the even longer period at Wainwright, the troops lived out

under the most severe winter conditions. Those of you who were in the prairie provinces this winter will recognize what this meant when I say that every day, at some time or another, the temperature was below zero and reached a low of —58 degrees. Moreover, throughout the exercise they lived on their original issue of supplies, supplemented by food, fuel and equipment brought in by airlift. You can appreciate something of the size and complexity of modern military operations when I tell you that there were no less than 978 motor vehicles, of which 428 were Canadian, and more than 100 aircraft, of which some 60 were ours, and all these were serviced on the spot and generally out of doors.

The exercise concluded at 12 noon on Thursday, February 23. At this time the troops were given their first meal indoors since its commencement. The airlift to take the troops home was already starting. While I was having my first experience of a flight in a jet, the great four-engined aircraft were shuttling backwards and forwards, so that that afternoon they brought out 423 of our men and the first convoy of 120 motor vehicles was moving off. Two days later, by Saturday, all the aircraft, motor vehicles, equipment and men had been efficiently dispatched on the long way home and Northway was again alone with the northern lights.

It will be some time before detailed reports are considered. It is possible, however, to make the following interim report:

1. The exercise was valuable in training personnel and testing doctrine and equipment of every kind.

2. The results confirmed the basic concept of Arctic warfare already held by the staffs of both countries so that there will not be any major change.

3. Military operations in the far north can only be successful if keyed in to one of the existing systems of transportation—airways, the highway or water. The distances a potential aggressor would have to go from any base favour the defence but only if the defence can stop any leap-frogging operation such as from air field to air field. Fighting in the north we know requires specially trained personnel of high morale and top physical condition with first-class equipment and air supremacy. These have been our targets and we are making good progress. Our new aircraft, the CF-100, is specifically designed to have the added range to do the job, and it has been speeded along so that it is years ahead of any aircraft having similar performance.

4. While aircraft and some motor vehicles and equipment proved even better than expected, the exercise confirmed the necessity for having tracked vehicles in bigger quantities. For example, we should probably have one bulldozer for every infantry company. The experience gained will lead to further developments in new equipment for preheating motor vehicles, ventilating tents, and so on.

5. In respect of food, cooking, accommodation, clothing and other personal equipment, physique, leadership, staff planning, weapons, motor vehicles, aircraft, and all-round performance, the Canadians showed that they were in every way equal to the fine forces of our good neighbour, the United States.

On my return I sent the following message to the chiefs of staff of the forces employed:

"On the conclusion of Exercise Sweetbriar, will you convey to all officers and men who contributed to its success my hearty congratulations and thanks for a job which was a credit to themselves and in accordance with the best traditions of the Canadian forces.

Co-operation between army and air force, Americans and Canadians, was one of the principal objectives of the exercise and that co-operation at every level left nothing to be desired.

We can be proud that in personnel, equipment and performance generally, the Canadian forces acquitted themselves well."

At the request of Major General Penhale and Air Vice Marshal Dunlap, who were the Canadian officers directly concerned, and on the recommendation of the chief of the general staff and the chief of the air staff, all of whom deserve great credit for their part, I approved an extra week's leave for all men engaged on the exercise. A number of these men had been away from their homes or their home camps for several months.

I do not think it is generally appreciated that from the beginning of the training at Wainwright on January 3 until the close of the exercise at Northway on February 23, that is, during a period of seven weeks, the great majority of the Canadians lived out under conditions as severe as could be found anywhere; that they travelled under these conditions over 4,000 miles; that this was done over country as rugged as can be found; and yet when I visited the base hospital at Whitehorse there were not more than six cases due to accidents and twenty-five due to various types of respiratory troubles, not very many more than would be expected on a summer vacation of a similar group of civilians. At the end of the exercise their physical condition was good and their spirits high.

Throughout the exercise the R.C.A.F. maintained their sixty aircraft with a serviceability at the high level of eighty per cent, although all servicing of aircraft in the area was done under battle conditions. The air transport command lifted into Whitehorse

1,198 passengers and 366,766 pounds of freight. Mustangs, Vampires, Mitchells and Lancasters of the R.C.A.F. flew a total of 174 sorties. On the conclusion of the exercise the combined forces lifted out from Northway to Whitehorse on two days, February 23 and 24, 1,596 passengers with 50 pounds of baggage per passenger. The R.C.A.F. then lifted from Whitehorse to Edmonton 995 passengers, mostly personnel of the army, and 160,073 pounds of cargo, the job being completed two days ahead of schedule.

The most important single result of the exercise is that, of the armed forces that were engaged there, there are now over 5,000 United States and Canadian personnel who hold the Arctic in a healthy respect but no fear, who know that they can live there provided they meet the tough and challenging conditions.

Among the objects of the exercise was to get training and experience in staff work and administration.

Planning which began last May covered such things as special Arctic clothing, pack rations, arcticization of aircraft, vehicles and equipment. A lot of this was the result of research and development carried on at Churchill and elsewhere over a number of years.

The main camp for training had to be opened at Wainwright, with five other major camps and twelve staging camps, where construction was carried out at below-zero temperatures. At all of these there had to be supplies of food and fuel and men competent to do the job.

Altogether 102,000 spare parts and other articles of equipment were issued, and 642 Canadian vehicles were prepared. There was no fatal accident attributable to the exercise. A doctor parachuted down with the Princess Pats in their magnificent drop, followed in the next descent by a paymaster to ensure that the troops had money to buy what they wanted at the PX stores.

Primary attention was naturally focused on the fine work of the Princess Pats under Lieutenant-Colonel D. C. Cameron, D.S.O., E.D., and the battery of the Royal Canadian Artillery. The various servicing corps constituted the largest proportion of personnel involved, and the way in which the Royal Canadian Engineers, the Royal Canadian Army Service Corps, the Royal Canadian Army Medical Corps, the Royal Canadian Ordnance Corps, the Royal Canadian Electrical and Mechanical Engineers and others did their job, reflected great credit on their training, organization and ability.

In addition to the lesson which we learned from Exercise Sweetbriar, that we could live and work in the north country, we had additional confirmation of our ability to work with the American forces.

The senior Canadian administrative officer who, during wartime, had a close association with the troops of Great Britain, Belgium, Poland, The Netherlands and Czechoslovakia, which at one time or another were under Canadian command, had this to say in his report about his experience in working with the Americans on Exercise Sweetbriar:

> I should like to state that the co-operation and co-ordination of administrative effort between Fifth U.S. army and western command has been nothing short of phenomenal; on countless occasions I have often wondered with which headquarters I was serving, and I know from experience that this applies to many officers, both Canadian and U.S. There has been a wonderful demonstration of our ability to work together to achieve the common objective.

I should add that I have had the most friendly messages from Hon. Louis Johnson, Secretary of Defence, His Excellency Laurence Steinhardt, United States ambassador, who accompanied me on the exercise, and Lieutenant General S. J. Chamberlin, the exercise commander, who, like Air Marshal Curtis, Major General Penhale, most of the press and myself, suffered what were called "minor respiratory troubles" from which the troops who lived out were singularly free.

The exercise and everything about it brought home the magnificent vastness of our country. We must come to realize that Canada is just as big from south to north as she is from east to west. From Ottawa to Winnipeg the distance by air is 1,058 miles. It may surprise some hon. members who are more accustomed to the fenced-off farms of the east when I say that the distance from Edmonton to Snag on the Alaskan boundary is 1,327 miles—that is, nearly 300 miles further than the distance from Ottawa to Winnipeg.

I know it will interest hon. members of the committee when I say that at Whitehorse I saw my good friend George Black, who sent his greetings to all his old friends in the House of Commons. I only wish that it might have been possible for all hon. members to be present. Had they been there, I am sure that they would feel the same pride that I do in our armed forces today.

To support these forces we are seeking from parliament this year an appropriation of $425 million, an increase of $42 million over principal estimates of $375 million, and supplementary estimates already voted of $8 million. To this, since the tabling by the Minister of Finance yesterday of the further supplementary estimates, there should be added, if

the sum is voted by the house, an additional $4 million, which represents the cost of our acquisition from the British government of the British admiralty properties in Newfoundland at a cost of $7 million, reduced by a carry-over, which we estimate will be unexpended from our estimates and supplementaries, of $3 million.

This figure of $425 million is many times greater than our expenditure on defence in the years before the war.

This sum of $425 million is allocated among navy, army, air force and defence research, among construction, equipment and personnel, among active, reserve and cadet services. The same dollar as I said earlier this week cannot be spent once on construction, again on equipment, and a third time on personnel.

This allocation is worked out, subject to the approval of the cabinet defence committee, between myself and the chiefs of staff. The chiefs of staff act jointly as regards over-all division on matters having interservice implications, and separately with me as regards matters concerning only their own service.

Our planning must look several years ahead. On the one hand we must start work in time to produce the results in personnel and equipment when they are likely to be needed. On the other hand, we must avoid starting things now which might involve us in future commitments for the expenditure of money which might then be needed for other defence purposes of greater priority.

We must use the money appropriated in the best way to meet an immediate threat and also to develop our full potential. We must maintain a force in being and the means necessary to develop our full potential as quickly as possible. This is a question of emphasis—of planning and timing. Our target must be always to become more and more operational. That is what we are doing.

The proposed allocation of this appropriation of $425 million as between the various defence functions provides that the expenditure for the Royal Canadian Navy be increased from $67 million last year to $82 million for the coming year. This increase is mostly attributable to the cost of implementing the previously announced program of construction of three new anti-submarine escort vessels, one arctic patrol vessel—ice breaker; a gate vessel, and four minesweepers.

The Royal Canadian Air Force expenditure would likewise be increased from $138 million to $169 million to cover the costs of manufacture of the F-86A fighter aircraft and the CF-100 all-weather fighters, as well as radar equipment.

[Mr. Claxton.]

The expenditure for the army is being decreased from $135 million to $130 million because of the urgent requirements of the other two services for equipment. The provision of major items of new equipment for the army is being deferred in view of the relatively large present holdings of fighting equipment of this service.

The increase in administration is largely due to the increased activities of the inspection services to enable them to take care of the increasing flow of new equipment.

In 1948, 12 per cent of the total appropriation was spent on equipment; in 1949, 24 per cent and in the coming year it will be 28 per cent. This trend reflects both the increasing cost of fighting machines and the importance which is attached to having up-to-date weapons in the hands of our services. It is, I am sure hon. members will agree, a desirable and proper approach.

For the convenience of hon. members I have had a chart prepared comparing the allocation of the defence dollar by services and also by requirements for each of the years 1948-1949, 1949-1950 and 1950-51, which, if the house will consent, I shall be glad to put on record.

(The chart appears on the page opposite.)

As at January 31, 1950, the total strength of the three services—that is, the active force—was 47,163 officers and men, representing 93 per cent of the present establishment and an increase of 2,004 over the figure for September 30, 1949, given in paragraph 93 of the white paper.

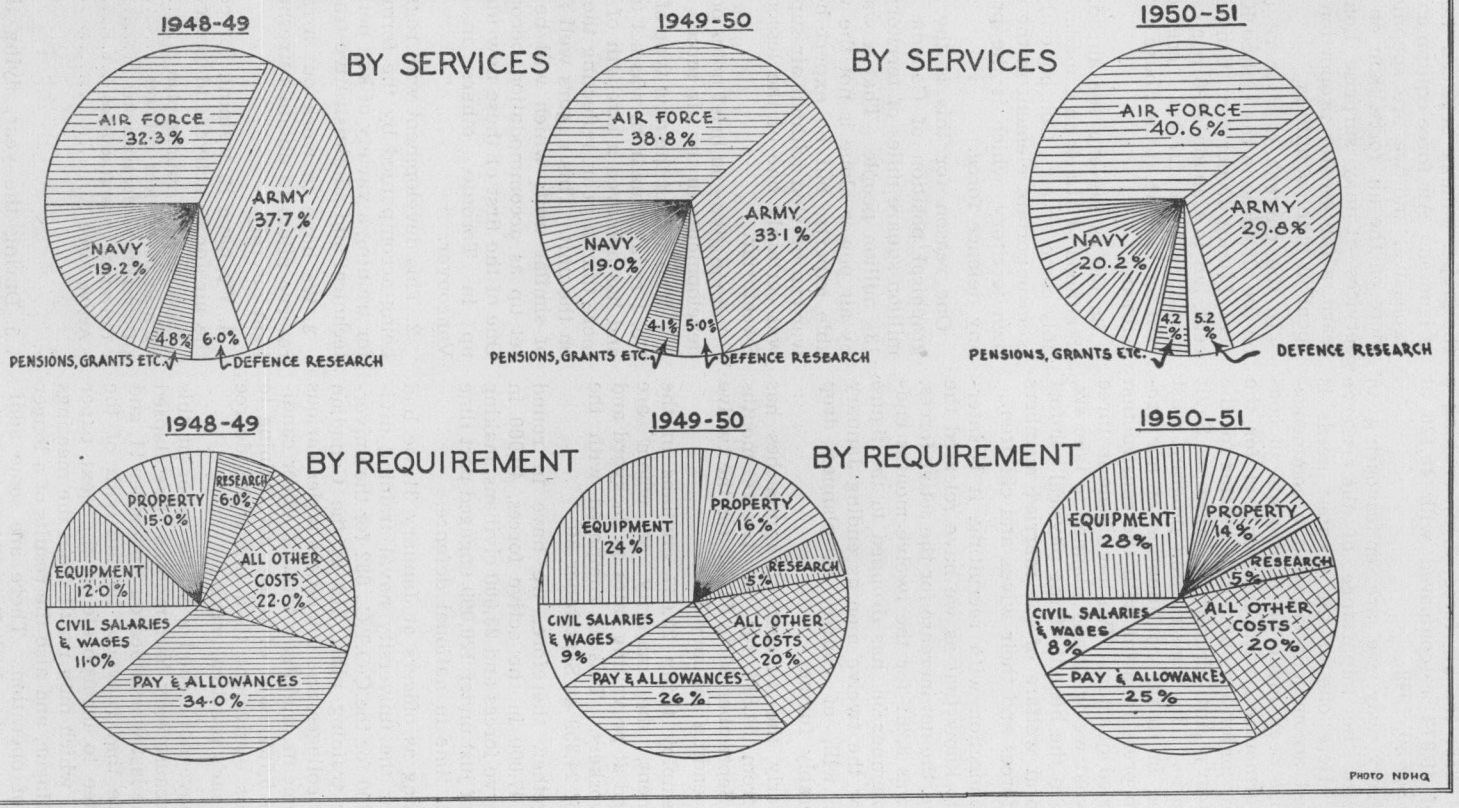
At January 31 the strength of the navy was 9,322, which is over its establishment of 9,047. We are continuing recruiting for the navy to replace normal retirements and discharges, and also to increase the establishment, probably to 9,600.

The strength of the army today is 20,601, and of the air force 17,240. In addition to the replacement of those retiring or discharged in the normal course, we shall be continuing to take on a limited number of single men between the ages of seventeen and twenty-five who have good education and can pass the physical requirements.

The number of men desiring to retire from the armed services at the termination of their engagements or leaving for other reasons is very much smaller than anticipated and planned for. Accordingly we expect to have a waiting list for all three services within a matter of months.

For the reserve forces the figures have continued to improve. As at January 31, 1950, the navy had a strength of 3,555; the

DISTRIBUTION OF DEFENCE DOLLAR



army 41,855; the air force, 3,467, making a total of 48,877 as compared with 45,126 at September 30, 1949.

In every way we are endeavouring to emphasize the importance of the reserve forces. Here one of the greatest needs is increased accommodation, and a commencement has been made on a program to construct armouries, with the contract for the first new major armoury to be erected for the 49th Heavy Anti-aircraft regiment at Sault Ste. Marie. This construction program must be fitted in to the continuation of our program to press forward with the construction of married quarters. We have done in three years what we originally planned to take six, greatly to the benefit of the physical comfort and moral welfare of the married members of the forces and their wives and children.

In connection with recruiting, it is interesting to know that as we have released the pressure, the net increase for the active forces, which was 8,261 for the twelve months ending September 30, has dropped to the figure 7,346 for the twelve months ending January 31. It will, of course, as planned drop considerably further.

Similarly the number of approaches has fallen from 54,814 for the twelve months ending September 30 to 53,092 for the twelve months ending January 31.

We employ today 23,087 civilians in the department, the majority of whom are employed at prevailing rates as dockyard and shop workers. This is compared with the figure of 24,359 at September 30.

Altogether, therefore, we have in round figures 47,000 in the active forces, 49,000 in the reserve forces and 23,000 civilians, making a total of just under 120,000 engaged part time and full time in national defence.

Training as officers at January 31 we had 1,403 for the university naval training division, 2,700 for the C.O.T.C., 632 for the university air training plan, 319 at the Canadian services colleges, and 606 others under various arrangements, making a total of officer candidates of 5,760, most of whom are training to standards equivalent to a university degree and a year's practical work.

We have not issued a white paper at this time, because only four months have elapsed since the last was issued on November 11, and I believe that it would be the wish of the committee to incorporate in the next paper material which may result from the meetings at The Hague, and also the results of a longer period of operation. There are some additional matters to which I should now refer.

We are continuing to place great emphasis on the air force, but not to the point where the proper balance between the three services is ignored. Air force equipment is immensely expensive, and we are spending very much more on the air force than on the other two services—it may surprise hon. members to learn, a far greater proportion than is being spent in other countries.

In the current year there is being spent on the air force in the United Kingdom 29 per cent, France 30 per cent, United States 34 per cent, but in Canada 42·6 per cent. This proportion will be further increased to 44·8 per cent for 1950-51, if the house votes the present estimates.

So far as we can see ahead, if there is a likelihood of attack on Canada, it would probably come by air. Consequently the air force is an important element in the defence of our own territory, which is the primary task of any defence force.

One reason for this is the size and geographical position of Canada. We have 3½ million square miles of territory, occupied by 13½ million people. That a war can be won by air power alone is not the view of reputable experts; but no expert believes that a war can be won without air supremacy. This was certainly one of the lessons of Exercise Sweetbriar.

Let me give you brief notes on some further developments in the air force.

1. The first of the new type of reserve units, No. 1 radar squadron, was set up in Montreal and has achieved a strength of 450 in a little more than a year, reflecting the utmost credit on the unit. This augurs well for the success of similar units which will be progressively set up as accommodation becomes available. One of the first of these new units will be set up in Toronto, others in Halifax and Vancouver.

2. This development with regard to radar is being accompanied by the formation of units for training a variety of key personnel in both technical and administrative trades.

3. We hope to work out arrangements for reserve pilots to obtain refresher training on light aircraft.

4. We have in training for commissions in the air force, active and reserve—

University air training plan	632
Canadian services colleges	94
University undergraduates	79
University postgraduates	1
Active force	324
	1,130

5. During the year, flying time increased by 60 per cent, the number of hours flown per man on strength compared closely with the U.S.A.F.; we had the first wings parade of

university flights; and the ceremony at Trenton demonstrated fine organization and training as well as the fact that the R.C.A.F. stood as high as ever in the eyes of our country and of other nations.

6. We have in the R.C.A.F. two interceptor squadrons in operation, and the equivalent of seven other squadrons of one kind or another.

7. We shall continue steady development until we shall have at least five interceptor squadrons and the equivalent of about six other active squadrons immediately ready for action, the fighters being equipped with the latest type aircraft. In addition, we have ten squadrons of auxiliary, with another soon to be activated. Several of the auxiliary squadrons, by their excellent performance in various exercises have shown well-advanced preparedness.

Another service which has shown a substantial increase in the appropriation is the navy. As I have indicated, this is largely to meet the costs of the new ships which will be under construction this year.

In the R.C.N. we shall have in commission on the west coast the cruiser *Ontario*; the destroyers *Athabaskan, Cayuga* and *Sioux*; the frigate *Antigonish*; the Algerine escort vessels *Rockcliffe* and *Sault Ste. Marie*; the auxiliary vessel *Cedarwood*; and the patrol craft 724.

On the east coast we will have the aircraft carrier *Magnificent*; the destroyers *Micmac, Huron* and *Haida*; the weather ship *St. Stephen*; the frigate *Swansea*; the Algerine minesweeping vessel *Portage*; and the motor minesweeper *Llewellyn*.

In addition, six training vessels will be in commission on the great lakes during the summer.

Of the destroyers, *Cayuga, Sioux, Micmac* and *Huron* have been recently commissioned following extensive refit to improve their capabilities as anti-submarine vessels. Similar refit will be completed shortly on *Athabaskan*.

In addition to the above improvements, many changes in accommodation, including introduction of cafeteria messing and separate dining and sleeping quarters, have been carried out in *Sioux* and *Athabaskan*. This is the first time that either Canadian or British destroyers have had this improved accommodation.

Effective training is being given to the officers and men in the twenty-one divisions of the R.C.N. reserve. In accordance with the Mainguy report, courses for officer cadets are now all being put on the same four-year basis in the Canadian services colleges.

During the last few months the navy has had a number of useful exercises with United States and other forces.

Everything that we are doing in the navy is directed to meet its clear and unmistakable role to protect our coastal waters and trading routes against mine and submarine attack.

The role of the army is equally clear. It is to provide the forces necessary to meet an immediate attack on our country any time and any place. To do this we have organized a brigade group, a highly mobile, hard-hitting unit. More than half of this group consists today of well-trained, experienced, tough soldiers. The remainder are undergoing training of various types from recruit training to the more complex unit training. While the proportion of fully trained troops will increase, there will always be some in the brigade group who have just joined. No unit is ever fully trained, because its personnel is never static and officers and men are taking courses of various kinds virtually until the day of their retirement.

In addition to seeing to the immediate defence of our own territory, our forces must act as the organizational and training nucleus for the development of the largest forces we can develop to play our part where they may be needed. A large part of the personnel of the army—all the reserve units and a very large portion, certainly more than two-thirds of the active forces—are concerned with this side of the job.

Defence research activities have been carried on on an increased scale, maintaining close co-operation with research activities in other countries and with other research activities in Canada.

In civil defence we have completed the stage of planning at the federal level. Civil defence depends on close co-operation with the provinces, the municipalities and other agencies at every level. Following earlier preliminary discussions we are now in a position to make further progress.

Our over-all plan we believe meets the strategical needs of Canada and makes the best use of the resources available.

The factors involved in the speed of development of our maximum potential are organizational staff, trained officers, qualified tradesmen, equipment, accommodation, and, finally, trained personnel. Any plan which involved the immediate full-time employment of many more men would not be the best way to use the money made available.

What I have said with regard to the development of the forces in being to the maximum potential applies to the navy and the air force as well as the army. In the case of these forces, however, the largest controlling

factor determining the speed of development is the supply of equipment, particularly ships and aircraft. By the time we could build any ship or any aircraft, we could recruit and train the crew. You will see, from what I have said, the reason for our emphasis in our program on the building of ships and aircraft.

This question of equipment is extremely important, particularly in view of the close relations between the United States and Canada.

The integration of industrial capacity under the Hyde Park declaration helped to win the war. A similar arrangement is in the interest of both the United States and Canada in peacetime. The continuation of the general principles of the Hyde Park declaration was accepted in an exchange of notes in May, 1945, and the joint declaration of February 12, 1947. I may say that our friendly discussions with members of the administration in the United States and with their highest service officials show that they hold the same view as we do. It makes sense for Canada and the United States to co-operate industrially and economically with relation to defence as well as in training and command and battle practices.

Unfortunately there are statutory obstacles in the United States which make it difficult for us to purchase military equipment there and make it even more difficult for them to purchase military equipment in Canada. But in consequence of discussions I am glad to say that, pending a more satisfactory permanent solution, temporary arrangements have been worked out which permit purchasing of some equipment in the United States, but there is still the problem of finding the United States dollars.

We think it is in the best interest of collective defence to have diversified sources of production. We can make many types of things just as well as United States manufacturers and, given reasonable markets, often more cheaply. There are some things which it is not in the interest of Canada to make at all, for example, tanks, heavy motor vehicles, large calibre guns. It is not in the interests of Canada to make these things provided that there is an adequate and fair amount of specialization. On the other hand, we think there is great merit in Canada specializing in the production of certain items, which it cannot do if dependent on domestic consumption for outlet.

In these circumstances we believe the sensible thing for both countries would be to work out an arrangement whereby certain items of United States military equipment are bought in Canada in order to maintain defence productive capacity here, and in order to permit of specialization in production.

[Mr. Claxton.]

What I suggest now is the effective revival of the Hyde Park agreement for the integration of North American defence industry.

Mr. Graydon: Does that require legislation in the United States congress?

Mr. Claxton: Unquestionably. I suggest this as the kind of way in which we should and could work together.

In conclusion, may I say that our defence forces are in better shape than ever before in the peacetime history of our country. We are employing the defence dollar in the best way we know how, to make suitable provisions for construction, equipment and personnel. In respect of organization, officer training, integration of defence research, our forces are second to none and our plans have been well laid to put us in the lead with regard to the two special weapons we need, long-range fighter aircraft and anti-submarine vessels.

I am glad to say that during the time I have held this job I have had nothing but the most complete and loyal support from all heads of services and from officers and men of the armed forces. It has been a pleasure to serve in this department. It has been a privilege to have been associated with the officers and men of the armed forces of our country. They are grand people, and it is a pleasure to work with them for the defence and security of Canada.

Mr. Pearkes: Mr. Chairman, I should like to take this opportunity to thank the Minister of National Defence for the kind invitation that he extended to me and other members of the house to observe the flight of the CF-100 jet fighter a week ago tomorrow. We had the opportunity of driving out to Rockcliffe airport and there seeing a machine of which we can most certainly be extremely proud. I hope that the minister will give us a further opportunity of seeing this fighter when it has its new engines and its full armament. It is a little difficult to judge the full capabilities of an aircraft when it is not loaded as it would be for action.

Then I should like to take this opportunity of thanking the minister for his graphic description of Exercise Sweetbriar. We have read accounts in the press of both Canada and the United States of the progress made during that exercise; and I feel quite certain we all share the pride the minister has expressed in the achievements of the Canadian and the United States troops who took part. No doubt we all have personal friends who were on that exercise and who have confirmed the report given by the minister today as to the magnificent physique and grand spirit of our troops, and their determination to do in

peacetime, to the very best of their abilities, the job of preparing for war; not for a war of aggression, but for war in defence of their own country. I could not help smiling a little when the minister expressed regret that members of parliament had not seen the troops taking part in that exercise. I may assure him that the only reason I did not do so was that no such invitation was extended to me.

In listening to the minister's statement I could not help feeling that it was more in the nature of an annual report than a presentation of estimates, explaining why Canada was expending a very large sum of money, and breaking down that expenditure to give us information as to how this money was to be distributed as among the various services. Naturally we are pleased to hear an annual report on the activities of the department for the past quarter, but at the same time I do think hon. members, who are here charged with the responsibility of looking into these expenditures and safeguarding the money of the taxpayers, would have liked a great deal more information as to how that money was going to be spent in the coming year, instead of a general description of the activities of the defence forces in the past year.

Before proceeding to a discussion of the estimates for this year I too should like to refer briefly to what has happened in the past. The minister has had the opportunity of giving credit with respect to some of the achievements of the officers and men of our three services, and today I should like to take this chance to offer my congratulations also on the magnificent work they have done. Within the last few weeks we saw the men of our services perform actions in the highest traditions of those services. My mind goes back to the unfortunate accident which occurred a few weeks ago, when it was necessary for the destroyer *Cayuga* to go to a remote island off the Pacific coast and, in severe weather and over most difficult terrain, rescue their comrades—of another country, but still comrades—who had been taking part in the exercises in the north, and who had the misfortune to become lost over the Pacific. Also during the past year on numerous occasions the rescue squads of the R.C.A.F. have done really excellent work in the mountains of British Columbia, in the far north, and at various other points, and I think they should also receive praise. I know that on every opportunity the minister has sent his congratulations, and now I want to add mine. Naturally I felt elated when I heard of the progress made by my old regiment, the Princess Patricia's Canadian Light Infantry, and I was delighted with the minister's glowing reports in that regard.

Generally speaking, all through both the active and the reserve forces there is the keenest possible spirit and a willingness to do rather more than a day's work. As far as the reserve forces are concerned, they are still ready to devote a good deal of their spare time, both in the evenings and during their annual holidays, to the work of their units, a tradition which has been handed down for many years and which the reserve divisions of the navy, the reserve army and the auxiliary squadrons of the air force are living up to so well. If in the course of my remarks I should appear to offer some criticism and some suggestions as to the conduct of the department I should like it understood that I am in no way criticizing the endeavours of individuals from the minister right down to the newest recruit. I offer suggestions and perhaps criticisms only because I believe we have the best type of fighting men the world can produce, and I am anxious to see that they are given the best possible arms and equipment so that should they ever be called upon to defend our lives, in the defence of this country, they will have at least a fighting chance.

At the beginning of the minister's review he told us of the meetings that had taken place at Paris and described in rather general terms the progress made. I cannot help feeling that we are left without any idea as to what definite commitments this country has been assigned. In fact, the minister almost went so far as to say that we had no detailed commitments in so far as the North Atlantic treaty was concerned. I believe the people of Canada expected that the minister would come back with something more definite, something which would be encouraging to the people and to the services. The services would then know that they had a definite role into which they were to fit in the general over-all defence of the north Atlantic area, and of the world.

I felt more encouraged by the remarks which were made by the Secretary of State for External Affairs (Mr. Pearson) when he was speaking on this same item on a motion to go into supply. He was referring to the North Atlantic treaty, and he said, as recorded at page 429 of *Hansard*:

> We are getting down to the detailed problems of working out an effective system of collective defence for the north Atlantic region.

I think perhaps we should have had a firmer, more definite statement from the Minister of National Defence.

Then the Secretary of State for External Affairs went on to say:

> As planning for military production and supply under the north Atlantic organization gets under way—and it is now under way—account should of

course be taken of the needs of specialization in production and of the availability of productive capacity in all the north Atlantic nations. Means must also be found for overcoming existing difficulties which impede the transfer of equipment and supplies among the north Atlantic nations so as to permit the maximum use of their productive capacities. Solution of these difficulties is necessary if full advantage is to be taken, for instance, of Canada's present and potential productive capacity by the north Atlantic countries.

I had hoped that the Minister of National Defence would be able to tell us that some of the difficulties regarding the transfer of purchases of military stores and equipment from the United States had been ironed out, and that it had been possible to reach an agreement whereby Canada could now purchase large quantities from the United States; and would also be able to specialize, in her own industry, in certain types of equipment which the United States would have been able to purchase from us. However, I did not conclude from the remarks the minister made that any such agreement had been reached.

If I drew any conclusions from the description of the commitments to which Canada might possibly have agreed, it would seem to me that the emphasis is being laid now upon the defence of our own country, as being a major contribution towards the North Atlantic treaty. If so, I feel, with some modesty, forced to call the minister's attention to the fact that that is a side of our defence policy which I have emphasized in this house for a number of years. Moreover, from statements which have been made by senior officers, who may or may not have been at the Paris conference, it would seem that there is a change in policy in so far as our defence forces are concerned. The minister did not refer to it any more than by a general statement, that the defence of our own country would be a contribution to the North Atlantic treaty. I have not quoted his exact words, but I think that was the intent of what he said.

Senior officers have apparently given to the press statements which would indicate that, since the beginning of the year, there has been a change in the emphasis. I quote from a Canadian Press dispatch which, I believe, reported statements by Air Marshal Curtis:

Canada will assume a relatively big air-fighter role in continental and Atlantic defence plans.

That is just one statement. Then, the same chief of air staff reported that last year marked a turning point in the post-war progress of the R.C.A.F. He is reported as having said that our original concept was a force consisting primarily of a nucleus body, able to expand rapidly in the event of war. We now see, in the light of the changed world situation, that we must go further than that. The R.C.A.F. must be brought to a point where it is able to bring into immediate action those forces required for the initial defence of Canada. I should imagine that these statements were in line with the remarks of the minister this afternoon, and that they are following out the general policy. I must say that the statements by Air Marshal Curtis are much clearer, and more definite, than the statements which were made by the minister today.

During the discussion of the estimates last year, I spent some considerable time in pointing out how I felt the emphasis must be placed upon the role the Canadian air force must play, as the prime arm which would, and could, only be the principal factor in the defence of our limitless northern territory. I was interested in hearing the remarks the minister made concerning the lessons which he drew from the Sweetbriar exercise. He suggested that air support would be necessary in any Arctic operations—I believe he said air superiority—and that such operations could only be carried out as a leap-frogging process from one established airport to another. I suggest that the only way in which we could meet such a contingency would be to have an air force in being, an air force that would be ready upon short notice to engage an enemy who might be tempted to raid our northern territory.

If, as has been suggested by high air force officers, the emphasis is now being placed upon the operational side rather than the nucleus expanding-type policy, then I think it is all to the advantage. I feel that the minister has no doubt been studying the book written by Dr. Bush, to which he referred a few days ago, and he drew the same conclusions as Dr. Bush has drawn in his volume "Modern Arms and Free Men", namely, that the pendulum now is swinging in favour of defensive operations as against those of an offensive nature. Dr. Bush, of course, does stress the point that, in order to have an effective defence, there must be an air force in being, one able to take the air at short notice. I should like to put on the record just a few paragraphs from Dr. Bush's volume, in which he is writing largely about the atomic bomb. I quote from page 43 of his book. May I say that I think this is encouraging. I think this is heartening to the members of this committee and to the nation as a whole, that they should hear what a recognized authority has to say on this matter. He says:

But the spectre of great fleets of bombers, substantially immune to methods of defence, destroying great cities at will by atomic bombs is a spectre only. There is a defence against the atomic bomb. It is the same sort of defence used against any other type of bomb.

We have had too many alarmist statements made across the country that there is no defence to the atomic bomb. It is interesting to hear what the leading military scientist, of this continent anyway, has to say on that matter. He then goes on to say—and here is a warning that we should well heed:

. . . at any time against a poorly prepared enemy, the modern bomber at very high altitude can proceed with comparative immunity, even though it has a serious problem in hitting anything precisely from its position eight or ten miles up. Against a fully-prepared enemy, with plenty of early warning, interception radar on ground and in the air, and the best of jet pursuit ships, it would appear still to be vulnerable.

Then he goes on to say that the defending pursuit ships have all the advantage of ground radar, in early warning sets and sets for ground control interception, while the bombers and fighters accompanying the attacking force have at their disposal only airborne radar of very limited range. Then he says that into that picture there is also introduced the high-speed, guided missile which is about to enter the field on the side of the defence. I should like to give one more quotation:

The jet was adaptable to the plane of short duration and very high speed, namely, the defensive interceptor of bombers, and it was not adaptable nearly so well to the accompanying fighter, which had to fly distances comparable to those of the bomber. There is a fundamental factor here that favours the defence, namely that the short-duration defensive aircraft must be expected to outperform the fighter that has the burden of a long accompanying flight.

I think those statements are distinctly heartening. I want to call attention, however, to that warning, that we must have a defence force prepared if we are going to take the advantages which now seem to be swinging to the defence.

That leads me to suggest that there should be a careful examination of the policy now being carried out with respect to the provision of our jet interceptor fighters. In the white paper tabled at the end of the last session of parliament there is an item for $30 million for the purchase of, I think, one hundred F-86's. This afternoon the minister referred to the equipping of the fighter squadrons with this aircraft. I believe that certain purchases of that aircraft have already been made—and I would ask the minister to confirm this fact; I have seen it reported in the press—to the extent of something in the neighbourhood of thirty, according to the press dispatches I saw. The decision which has been made to equip our fighter forces with that particular aircraft I cannot regard with anything but the greatest concern. Even a most casual reading of such volumes as Jane's All the World's Aircraft, and *Flight* and *Aviation Week*, reveals the fact that the F-86, which is referred to as the Sabre type, has a performance far inferior to the performance of the new bombers and fighters with which it might have to compete. In fact, a study of the various publications which deal with aircraft design and development reveals what I think you can only describe as rather alarming shortcomings of that particular aircraft for the peculiar conditions under which it must be produced and under which it must operate in Canada. I am tempted to ask whether the strategic, technical and economic factors concerning the F-86 have not been overridden by political considerations. With regard to the equipping of our fighter squadrons with this particular aircraft, we appear to have abandoned the United Kingdom types of jet fighter in order to obtain the United States types. Has this decision been motivated with the idea that the United States might unload upon us certain surpluses?

So far as I can make out from the study I have given to this matter, the F-86 does not measure up to the Canadian requirements, because of its sluggish climbing performance, which makes it unsuitable for bomber interception, while its high fuel consumption seriously restricts its range. Its sluggish climbing performance is due to the heavy wing loading and the inferior performance of its J-47 engines at high altitudes.

The Vampire types, even the older types of Vampires, have a climbing performance considerably better than the climbing performance of the F-86. I know it is reported to be the speediest aircraft in the world. It is a racing type of aircraft, a racer. But speed is not everything in interceptor work. Maximum rate of climb, operational ceiling and manoeuvrability are the paramount factors required in an interceptor.

The proposed production program, which I understand, according to press reports, will see the F-86 coming into production either at the end of this year or in 1951, raises serious doubts in my mind as to whether it will not be an obsolescent machine before it comes off the line. These doubts are reinforced by the decision which I understand has been taken in the United States in which orders for an improved type of Sabre, the F-93, have been cancelled. Doubts have been expressed in leading aviation papers in the United States that the F-86 will ever become a practical interceptor. I do suggest that money could have been saved to this country if the R.C.A.F. had continued to use the improved Vampire types during the interim until our own CF-100 becomes generally available, which I gather, from the remarks made by the minister this afternoon, will be toward next year.

That is, our CF-100 is an all-weather two-seater jet made by the A. V. Roe Company Limited of Malton, Ontario. As has been said repeatedly, it is a magnificent machine. Are we wise in scrapping the Vampire type of aircraft at this stage in order to take an American aircraft which does not have many of the excellent qualities of the more modern types of Vampires? Would it not have been better for us to have continued with that British type of aircraft rather than to have made the change at this stage?

The newer types of Vampire, such as the Vampire-6, have a climbing capacity up to 40,000 feet in some 14½ minutes, whereas the F-86 requires somewhere in the neighbourhood of 26 minutes to reach that height; and from the standpoint of manoeuvrability and stability at high altitudes the Vampire is without a peer. More recent developments of the Vampire type, such as the Venom interceptor, have even greater speeds and climbing ability. I saw a report in the newspaper that the Meteor-8 could climb to a height of 40,000 feet in four minutes.

The Vampire fighter has already been adopted by twelve countries connected with the North Atlantic security treaty. These include France, Sweden, Norway, Australia, South Africa, India and, of course, the United Kingdom. It is reported as having been adopted as the standard ground-support fighter for all western union nations. Thus, one basic design of Vampire type provides the interceptor, the ground support, the night fighter, and the naval version as in the Sea Vampire. Thus can supply and servicing be standardized.

The Canadian aircraft industry has shown itself quite capable of producing all types. It could have continued to produce the Vampire types just as well as it could have ventured into the development of the Sabre type. The manufacture of Vampires I am sure could be arranged in Canada, in exactly the same way as it is being arranged in Australia and France.

If we had pursued the course upon which we first started, then we might have seen that by now we could have even replaced the old propeller-driven Furies of H.M.C.S. *Magnificent* with, shall we say, Sea Vampires.

From the servicing point of view the introduction of the F-86 will necessitate the setting up of stockpiles of a whole range of spare parts, and the establishment of new maintenance procedures—and this in addition to such stores as I believe are fairly extensive, and such servicing arrangements as now exist which have been provided for the original Vampires of the R.C.A.F.

[Mr. Pearkes.]

From the point of view of cost it seems to me that the dice are heavily loaded against the F-86. We are told that something over $30 million was required for the purchase of the hundred F-86 machines for Canada. That works out at about $300,000 for the frames—because, according to the white paper, the armament, engines and the like, are in addition to that.

I ask the minister to tell us before this debate is concluded how much Canada will have to put up in United States dollars, free of Canadian income tax, in the payment of royalties to this North American company for the privilege of constructing these aircraft here. It seems to me that when an opportunity is offered to deal with a country of the British commonwealth and to obtain a type of aircraft whose performance has been proved to be superior to that of the type we are obtaining from the United States, if advantage is not taken then we are simply paying lip service to the expressed desire of fostering commonwealth relations and saving United States dollars.

I understand that Vampire frames can be obtained from the United Kingdom at about one-third of the cost of the F-86 frame. If that is so, would it not be advisable to have three Vampires for each F-86 that we have? Viewed from every conceivable standpoint, technical, strategical and economical, the only conclusion that can be reached is that a mistake, if not a serious blunder, was committed when we selected the F-86 as our interceptor fighter. It would be well if that fact was recognized and I hope that action can yet be taken to remedy what I feel is a grievous mistake. I hope the minister will be able to explain in detail what was involved in the decision reached to go into F-86's.

There seems to be a change in Canadian naval policy from the nucleus idea to having a navy which must be prepared to meet the menace of hostile submarines. I could not agree more with the minister when he says that our principal naval objective must be the protection of our coasts against mines which may be laid and against submarines. Undoubtedly that is modern naval thinking. I notice in today's paper that Vice-Admiral John H. Cassady, deputy chief of naval operations of the United States, told a committee of the House of Representatives:

> The threat of enemy submarines affects all of our programs and gives rise generally to the most urgent requirements which must be covered by our 1951 estimates.

The statement made by the minister did not indicate clearly the progress being made with the construction of the three anti-submarine escort vessels. I feel that every

effort should be made to press forward with the construction of that type of craft. It is a Canadian type that is designed to meet our own particular requirements. It is a novel type of vessel and one suitable to the task it is being given to do, the hunting of the modern submarine. In my opinion we cannot press on too fast with this construction work.

Another indication has been given of a change in naval policy in the division of our Canadian vessels into operational and training fleets. I regret that we have not been able to produce a second aircraft carrier to operate with the anti-submarine escorts which I hope will be on the Pacific as well as the Atlantic coast. I hope the minister will be able to clear up the question of whether we are not spending too much money on the maintenance of obsolete vessels which are now in reserve or even in the operational and training fleets and which are of little value in modern sea war. Surely frigates are out of the picture as far as operational vessels are concerned. They cannot be classified as a submarine-hunting vessel.

Referring to the remarks by the minister in connection with the army, I do not see that the same policy is being carried out in so far as the army estimates are concerned. The estimates reveal that there is something like a $2 million reduction in the appropriations for the active army. I should think that one of the lessons of Sweetbriar was that we must concentrate on the mobile brigade group and that greater emphasis should be given to the active army so that it will be prepared to meet any diversionary raids which may threaten our shores. On the other hand, there is an increase in the amount allotted to the reserves. One can only draw the conclusion that there still remains greater emphasis on the nucleus or expansionist policy.

Referring to what we have heard about Sweetbriar and the description of the airlift, I think in fairness the minister should have pointed out that the type of aircraft which transported the Princess Patricia's Canadian Light Infantry was not really adaptable to modern conditions and the dropping of parachute troops in hostile countries. It is all very well to say it was a grand airlift, but the Dakota must be ruled out as an aircraft for the transportation of troops. Unless you have a vast air superiority the carrying of key airborne troops in a Dakota is much like putting sailors into a wooden vessel.

If the initiative has been taken by the aggressor then we cannot count upon air superiority. I note also—and this surprises me, considering the importance of the north—that reductions have been made in the estimates for the maintenance of the radio system in the Northwest Territories and the Yukon. I am sure that reductions can be made in army expenditures. I am sure that if the department carefully scrutinizes the figures and takes stern action considerable reductions can be made in the amount of money which is expended on our defence establishments. By that I mean camps and barracks which are scattered all over the country. Surely by more concentration a great deal of the overhead might be cut down. In every province of the dominion there are small detachments of troops, air force, navy and army, and I cannot help thinking that a great deal of money could be saved if there was more concentration and we limited the overhead.

Then of course we only have to look at national defence headquarters in Ottawa. The Mainguy report suggested that many of the positions held at headquarters by naval officers might be filled by experienced civil servants. Nevertheless we find that during January of this year—and these are the latest figures I have been able to secure—there were almost 3,000 officers and men employed at headquarters, and in addition to that another 3,000 civilians employed at national defence headquarters. I know it is quite easy to talk about reducing staffs, and I know it is difficult to do so. From personal experience I know that it is difficult to make officers dispense with clerks, and senior officers dispense with staff officers, but I believe there is room for reductions there.

I am alarmed to see that, instead of any reduction being made, the amount of money allocated for departmental administration has increased by $1,200,000.

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

Mr. Pearkes: Certainly.

Mr. Goode: The hon. member for Nanaimo, with all his experience, has complained that the department is spending too much money by decentralizing the quarters for troops. I am not too sure that he means that, because from my experience with the army I know that is one of our principles so far as present-day warfare is concerned. I am not sure whether he expects the department to have headquarters in two places in Canada where they would be susceptible to air attack.

Mr. Pearkes: I could go into a long discussion as to the advisability of concentration or dispersal, but I am talking about the small detachments that are maintained across Canada. They would not all be in danger of immediate attack. So far as the estimates are concerned, I have not had the benefit of the chart which the minister has tabled, but

I am forced to say that I find they are being presented in a most complicated form. It is difficult to tell just how much will be distributed among the various services. As I understand, the total commitments the house is being asked to pass amount to something over $623 million, of which it is estimated $425 million is to be spent this year. There are rather broad headings under which that amount is to be expended. Another $144 million is allocated to be spent in future years and, so far as I have been able to ascertain, there is no indication in the blue book how that amount is going to be distributed among the various services, or for what purposes it is to be spent. Obviously it is for commitments that have been made for escort vessels and aircraft which must be provided for in the future, but I hope the minister will be able to indicate, before this debate is over, the general distribution of that amount of money among the various services and research.

Then there is another $55 million which I feel is rather in the nature of a blank cheque given to the minister to meet any unforeseen commitments which may possibly arise during the coming year. It seems to me that must be a most comfortable floating reserve for the minister to have. I cannot help thinking that we should have a detailed explanation as to why that amount is necessary.

The great bulk of the estimates is assembled under one item with a new heading, "defence forces". Last year and the year before similar items were grouped together under the heading, "demobilization and reconversion." I do not know whether demobilization has been completed, but I do not think it has been because there are still outstanding claims. I do not quite know where those will be placed. I have some questions to ask as to the amount of money actually allocated to what you might call the combat units of our defence forces. No doubt the chart which the minister has provided will assist us in ferreting out that information. I use the word "ferreting" because I think hon. members will agree that very little information has been given to the committee today about how the money is going to be spent in the future. Many times in the house I have said that it is almost impossible, within the limited time available, for the committee of supply to really secure the necessary information. I feel that it will take a very long time if we are to have a detailed examination and analysis of these defence expenditures. However, it is the wish of the house that the matter be dealt with in committee of the whole. We suggested a special committee to examine these estimates, but the house did not agree, so I shall have to ask hon. members to be patient as we ask questions concerning these estimates.

There is such a wide range of subjects even under this one item to which I just referred that I think it will illustrate how extremely difficult it is to carry on a connected discussion. For instance, here we have the pay and allowances of all three services. That has to do with the number of men in the services and the various types of training. Also under that same item come such questions as the Northwest Territories and Yukon radio system, the northwest highway system, the aerial photographic survey, the northwest staging route, the cadet services, and even the imperial war graves. So you might have one question with respect to the establishment of some particular unit; then another member of the committee might ask something about the progress of the construction work on the Alaskan highway, while the next question might concern war graves and war memorials. I do suggest that it is practically impossible, and we have found it impossible in the past, to make a careful analysis of these estimates.

The other day the minister was kind enough to tell the house how these estimates had been brought down in the past; and in giving the dates on which his estimates had been presented in recent years he said "terminal pressure" had not been applied. By that I gathered he meant that the rush at the end of the session had not commenced when his estimates were presented. He said that in 1947 his estimates were brought down on July 9 and 10. I looked to see when the house prorogued that year, and found that the session concluded on July 17, just one week after his estimates were brought down. I well remember that at that time we were sitting morning, afternoon, and evening, and Saturday as well. Then he said that in 1948 his estimates were brought down on June 24 and 25. That year the house prorogued five days later, on June 30; and again we were sitting morning, afternoon and evening. Last year it was a bit better. His estimates were brought down on November 11, 18 and 24, and the house did not prorogue until December 10; but I well recall that the session continued for many days after the original target date for prorogation. So if the minister wants to be at all fair he must admit that at the time his estimates were brought down there was some justifiable anxiety on the part of members of this house about when they might return to their constituencies.

I do not think the minister's arguments against the setting up of a committee were well founded. As far as I could see there was no attempt to change the constitutional system. There was merely a request on my

part and on the part of other hon. members that we be given an opportunity to carry out our duties in connection with the examination of these estimates, at a time when they are increasing so greatly and when such changes are taking place. It was a request that we be permitted to perform our duty without the rush and without the feeling that we were delaying other hon. members.

Because of our system of presenting estimates here, hon. members are groping in the dark as they seek such information as may be fed to them from time to time. The minister asks us to have faith in his infallibility; that the estimates have received careful consideration by the officers of his department; and that he is doing his best in the allocation of such money as he is given to promote the welfare of all the services. I believe he is, but I do not believe he is infallible. I believe the officers on his staff are doing their best; I have every confidence in their integrity, but I have no confidence in their infallibility.

Finally, the difficulty we as members experience is undoubtedly felt by others who have to do with defence matters. I have here a report concerning Major General G. B. Howard, general manager of the Canadian industrial preparedness association, who apparently made a tour across Canada recently with the idea of interviewing leaders of industry to see how industry could assist the Department of National Defence. The report states:

> Lack of information from the government on defence requirements and types of equipment likely to be manufactured for defence purposes is hampering the work of the Canadian industrial preparedness association.

He goes on to say:

> We should continue to press the government authorities for all possible information . . . What are we expected to do to assist in planning industrial defence? What are the requirements we are expected to meet; and what is our role?

Those are questions the general manager of this association is reported as asking. In view of the immense amount of work that must face the committee of the whole of this house, I am going to ask the minister once more if he will not consider referring these estimates to a committee which will be able to make the careful analysis which the importance of these estimates and the size of these expenditures require hon. members of this house to make.

Mr. Claxton: I did not want to interrupt the hon. member in his very constructive and helpful remarks by raising a point of order, but obviously it would be quite improper for this committee or this house to revert to a discussion of something already decided by the house this session. I should like to have that point noted, but I would, at the same time, like to thank the hon. member for his helpful and constructive speech.

Mr. Stewart (Winnipeg North): When the member for Nanaimo speaks on defence estimates, we listen to him with respect. Obviously, he has a great and detailed knowledge of the services. When he tells us that, in his opinion, there are savings which could be made in these estimates, I am inclined to agree with him. I believe, however, it will be rather difficult to ascertain just where those savings could be achieved this year. We are spending in the next twelve months the huge sum of $425 million for defence. None of us dispute the necessity for that defence, but when we realize that this figure is greater than the total ordinary expenditure on the Canadian budget in 1939, we also realize how drastic a change has taken place.

That $425 million is a lot of money. How is it going to be spent? We know that in the year 1948-49, $145 million was spent on construction, equipment, supplies and so on. A total of 65,308 contracts were let out. Obviously, this year there will be many more. Despite the denial, which I accept, made the other day in this house by the parliamentary assistant to the Minister of Trade and Commerce about the now rather celebrated study group, I think there remains an unhappy feeling in the minds of many of us that there are some who would like to get their snouts into the patronage trough. I hope the minister will be firm, and will not permit patronage to be shown in this matter of contracts dealing with the Department of National Defence.

It has been said it is government policy to provide the forces estimated to be necessary to defend Canada. Today the minister qualified that somewhat, of course, because we in Canada cannot provide the forces requisite to defend ourselves. We might be able to do so were we to conscript every man, woman and child in the country, and were we to bankrupt ourselves with military expenditures. When the minister states that the defence of Canada is also the defence of the north Atlantic powers, he is right. Defence must be looked upon from that point of view. Yet, in his remarks, I detected what appeared to me to be an illogicality. He said that the best Canadian strength is the collective strength of the north Atlantic powers. There can be no argument against that; it has been said month after month during the past year. Yet, surely, collective strength implies that commitments have been made collectively to defend ourselves collectively; but earlier the minister stated we had made no specific commitment under the North Atlantic treaty. In that case,

I cannot see how we can say that we have any collective strength at all, if we are not prepared to make commitments to those who are our allies.

At this point, I should like to quote a sentence which appears on page 13 of the white paper issued last year. It reads as follows:

> There hardly remains an inhabited point on the map too remote to be directly affected.

That refers, of course, to the unhappy tragedy of a war.

> Such a conflict, while constituting man's greatest failure to live intelligently with his fellow-men, would also, paradoxically, necessitate a degree of co-operation previously unimagined, among those nations and individuals who value freedom.

Those words are profoundly true. But why do we have to wait until the calamity of a war is upon us before we learn that lesson? Why can we not do these things now, if they are going to add to our defence, as I am convinced they are? Why can we not achieve this degree of co-operation now?

In this document, at page 8, we are told:

> By pooling resources, the effect of the pact should be to reduce the total expenditures which each of the 12 countries would have found necessary for their security had there been no pact.

That also is very true. One would think then that, under a system of collective security, the national commitments for each nation would be cut down accordingly, because our strength would be the strength of the entire group. To have the sort of co-operation which is envisaged in the white paper when war comes, demands the surrender of certain powers to a supranational authority. I am more than willing to see that done now, rather than wait until a war comes upon us—if indeed one does come. If we wish to make the North Atlantic treaty a reality, then certain powers have to be surrendered to a supranational authority. The trend has to be towards the nucleus of an international army among those powers.

There are other questions which I should like to ask the minister, and to which he may reply later, concerning matters which were not touched upon by the member for Nanaimo. What is the industrial defence board doing now? Under the order in council which constituted it, it was asked to prepare, and keep up to date, a plan for industrial production in the event of war. I should like to know how far that plan has gone, and if the plan is being kept up to date. Then, the industrial defence board was asked to advise on the locations of industry. What sort of advice is it giving? Obviously, under the conditions which prevail in the world today, if there were to be a war, then decentralization of industry would be highly advisable. Are any plans being made for such decentralization?

The industrial defence board was asked to advise on the maintenance of reserve stocks. What is the situation with regard to our stockpiling of chrome, manganese, tin, and natural rubber? I do not ask that details be given to the house, but I think some total figure in terms of dollars might be given to us, so that we should have some appreciation at least of what is being done.

The Canadian Commercial Corporation apparently was asked to try to place shadow contracts with various industries throughout the country, to ascertain if requirements could be met in case of necessity. I should be interested in knowing if this has happened, and what the result has been of placing such shadow contracts. In a speech which the minister made about a year and a half ago now, I think to the Canadian Ordnance Association in Montreal, he commented upon the position of the steel industry in Canada. He emphasized the tremendous importance of steel to our economy. We still produce far less than our requirements. I should like to know if the government is preparing for the worst. Obviously, this department should be one which, while it hopes for the best, should nevertheless prepare for the worst. I would like to know what the policy of the department is with regard to this industry. If Canada is not producing sufficient steel for her needs, if she is dependent on other nations, might it not be advisable to carry out policies which would ensure the steel Canada needs? Would there be any better way of doing it—in fact it would be killing two birds with one stone—than by rehabilitating the maritimes by building an efficient steel industry down there? It could only be done by the government taking over that corporation which is known as Dosco.

There was another matter which was not referred to by the minister, the question of defence research. I imagine this is one of the most important departments under the minister. It is spending less money this year than it spent last year, although the supplementary estimates may increase the amount. Nevertheless here is a department which is surely a key to many of the things we want to find out; and we are justified in asking what sort of security clearance is used in this department. I think hon. members may know by now I am not one of those who are enthusiastic about security clearance, but I realize the necessity for it. I ask the question from the point of view of United States experience, where able and competent young scientists

have volunteered their services to government bureaux only to find that the interminable delay of security clearance was such that they got fed up and, instead of working for the country, devoted their talents elsewhere. Are we short of skilled and trained staff in the defence research department? Have we all the men we need? Are we giving those who are there the opportunity of productive work?

I think the most important point I want to make, and one which I think the minister should answer because there may be an answer to it, is this apparent illogicality of his, as I call it, where he talks about the best guarantee of strength being collective security, and then states that we have made no specific commitments under the treaty. I do not think that Canadians would have any objections at all to specific commitments under the treaty; and we in parliament certainly would want to know what they are. Most certainly I am convinced that there can be no collective strength until we have given these specific commitments to those who shall be our allies.

Mr. Pouliot: I am glad the Minister of National Defence is here, Mr. Chairman. I should like to bring some facts before the committee. I have been interested in listening to what has been said by the minister, by the hon. member for Nanaimo and the other members who have spoken. I am not familiar with logistics, but I have received many letters from soldiers and men who want to get into the army, and I should like to explain their case.

Over the C.B.C. there is a program called "Comrades in Arms"; in French, it is "Tambour Battant", beating the drum. It is supposed to help recruiting, and it is wonderful. There are Mexican songs and tom-tom and all sorts of tunes that are supposed to invite young men in good health to join the colours; and it must be quite expensive. It has been running for some time. I do not listen to it regularly, but I hear it occasionally. There is always the same announcement at the beginning and at the end. There are no military marches and there is no military inspiration in the music that we hear. It is just fun, Viennese waltzes and other things. It is quite astonishing.

I have a case that I am going to mention to the minister. He must be familiar with it because we had some correspondence about it. I am unfolding some of the files to which I referred the other day on another matter. The case I refer to now is that of Romeo Santerre, who is a nice fellow, less than 25 years of age, with three years' service in the army, of which one and a half years was overseas. He was honourably discharged and now he would like to get into the army. In spite of "Comrades in Arms" and "Tambour Battant", beating the drum, I am obliged to fight for him in order to get him into the army.

What to me seems stupid on the part of the brass hats is their paying for a program over the radio to invite young men to get into the army and then failing to accept them when they are able-bodied and willing to come in. I have this man's regimental number here. I will give it to the brass hats who probably adorn the gallery. I do not know whether there are any there. I find the brass hats stupid. The number is E-100850. The reason the young man is not accepted by the army is that he has not sufficient education to meet their standards. Who ever heard of such a thing? He must be a B.A. in order to be accepted in the army! What is the use of having a program over the radio, in both languages, telling young men "join up", "get into the army", "you will be happy in the army", "there is a career for you in the army"? Romeo Santerre listened to that in French and said to himself, "That is my chance to get a job. I have been in the army. I have nothing to do. I am unemployed. I am ready to go back again. Although I saw many things in the army that were unpleasant I do not mind about that; I am ready to go; I am willing to go. I have my experience of one and a half years overseas and one and a half years here in Canada. I think I am fit. I was honourably discharged. I want to join the colours." If that man joined the colours after having listened to the program, we would think the program was worth something, having regard to the money expended on it.

Romeo Santerre tries to join the army. Is he accepted? No, sir; he is not accepted because he is not highly enough educated. He must be a B.A. He must go to a university. He must be like the civil servants. The army seems to be like the civil service. In the civil service a man must have university degrees in order to get in. They must have a gilt embossed parchment attesting the degree of M.Sc. and then they are doctors; they wear mortarboards. What the army wants is not able-bodied men; it is men with mortarboards. The army is just the same as the civil service commission. I am quite indignant about this matter. Here is a young man who is willing to go into the army. But can he get in? No, sir. They say to him, "You have no mortarboard; you have no honorary degree, you have no degree of doctor of laws from a university that did not give you any lectures on law; you are

not qualified to get into the army. You are too ignorant." Who ever heard of such a thing?

The Chairman: Order.

Mr. Pouliot: I want Santerre in the army.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

PRAIRIE TRANSMISSION LINES LIMITED

The house resumed, from Friday, March 10, consideration of the motion of Mr. Benidickson for the second reading of Bill No. 9, to incorporate Prairie Transmission Lines Limited, and the motion of Mr. Macdonald (Edmonton East): "That this question be now put."

Mr. Speaker: Is the house ready for the question?

Mr. A. C. Stewart (Yorkton): Mr. Speaker, I had not intended to speak on this pipe lines bill, and I do not wish to delay proceedings unduly. However, the hon. member who preceded me in the debate, the hon. member for Vancouver-Quadra (Mr. Green), made certain remarks with which I think I should deal.

In his speech on March 14, reported in *Hansard* at page 748, he said:

> May I warn members from some of the other provinces. Let us first take those from Saskatchewan. They may find the next step will be that instead of their towns being supplied with natural gas that gas will be sent down into the United States.

Then he proceeded to warn members from Quebec and, finally, to chastise the four Liberal members from British Columbia, implying that these members were not doing their duty by their own province, and that they had favoured the bill—although, as has been pointed out, all they did was to move for a vote.

Before I received the advice from the hon. member for Vancouver-Quadra, I had communicated with the province of Saskatchewan. The city of Yorkton, in which I am particularly interested, is not, I think, very much concerned with the bill, because in that constituency at the town of Kamsack we have found gas, and it is now being partially supplied with gas.

In any event we are interested as a province; and with that in mind before the hon. member spoke I had communicated with the boards of trade in Saskatoon and Regina as to what action if any they wanted the Saskatchewan members to take with regard to these bills which, as hon. members know, were debated in the last session, as well as in this one.

In that connection I also asked a question of the Minister of Trade and Commerce (Mr. Howe), which is reported in *Hansard* at page 792 as follows:

> Have any representations been made to him by the C.C.F. government of Saskatchewan with regard to protecting Saskatchewan so far as the export of oil and gas from Alberta is concerned?

In reply to that the minister answered in these words:

> I have no knowledge of any representations from the province of Saskatchewan in that connection.

My second question was:

> What is the policy of the minister with regard to the granting of permits for pipe lines from Alberta to the United States?

In answer to my second question he said:

> I would say that I spoke on this subject at the last session of parliament, and pointed out that the Electricity and Fluid Exportation Act is designed to protect Canadian consumers. It is necessary under the act for the Minister of Trade and Commerce to give a certificate to the effect that the present and foreseeable future needs of Canada are protected before any exports of electricity or gas are permitted. It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export.

In addition I have received a copy of a letter which the commissioner and the board of trade of Saskatoon sent to the Hon. J. H. Brockelbank, minister of natural resources and industrial development in Saskatchewan, at Regina, dated March 13. That letter points out that it has been brought to their attention that a private bill was coming before the house in connection with this matter.

The question was raised as to whether Saskatchewan's interests in getting a supply of gas should not be protected. The thought was that in any such bill authorizing the exportation of gas to centres in British Columbia Saskatchewan's probable needs of natural gas should be provided for, before any gas was exported to British Columbia.

With that I agree. I have checked the history of these pipe line bills that were passed at a session of parliament before many hon. members who now hold a seat were here. I refer to the session in April of 1949. Apparently all these bills received second reading on April 29 of that year.

I was interested to note what the sponsors of the attack on the present bill had done

to safeguard the interests of Saskatchewan in connection with the previous legislation. I find they took no stand on it at all. Bill C-8 was not passed, and that was an application from this same company. Then I find that on April 29, 1949, Bill B-8 was passed, under which the Interprovincial Pipe Line Company obtained a charter in the same wording as the application in the present instance, giving them rights within or outside Canada.

Then I find that the Trans-Northern Pipe Line Company, oil only, also obtained a charter, with rights within or outside Canada. I find, further, that the British American Pipe Line Company on the same date from the House of Commons obtained a charter, for oil only, within and outside Canada.

Then I find a bill, sponsored I believe by the hon. member for Fraser Valley (Mr. Cruickshank), for the Westcoast Transmission Company Limited. It was passed, but it only gives permission within Alberta and British Columbia, or outside Canada, to construct a pipe line for gas and oil. So that in that bill Saskatchewan is left in the choice position of not having any interest at all. They got a charter for the provinces of Alberta and British Columbia. By that bill Saskatchewan was left in the cold.

The bill now before the house proceeds to follow exactly the same language in which the other bills were passed, and those bills were not questioned. No riders were added and no amendments moved either by the hon. member for Vancouver-Quadra or the hon. member for Fraser Valley in any way limiting the route of the pipe line, or anything of that nature. I have checked that.

Mr. Green: Has the hon. member checked the proceedings before the standing committee on railways, canals and telegraph lines? If he does he will find that that was where we got that pledge.

Mr. Stewart (Yorkton): I am taking the record of *Hansard*. The hon. member for Vancouver-Quadra is quite a skilful lawyer, but I do not think he will attempt to convey to this house that anything said before a committee is binding when there is nothing in the bill. With his legal experience I doubt if he will contend that for one second. The previous bill passed without any amendment. I think the hon. member will agree that anything said before a committee of this house is not binding or operative on anyone.

Mr. Green: Unless the people behind this company are entirely dishonest, the pledge they gave before that committee would bind them.

Mr. Stewart (Yorkton): The hon. member who sponsors this bill, the hon. member for Kenora-Rainy River (Mr. Benidickson), is reported on page 447 of *Hansard* of March 3, 1950, when replying to a question by one of the opponents of the bill, as saying:

> I have given the assurance, Mr. Speaker, that this company is quite prepared to build a pipe line wherever any of these regulatory bodies insist that it be built.

That is a much more binding undertaking given before the whole house than anything that might be given before a committee. The same hon. member pointed out during the debate that the Alberta government is not opposed to the incorporation of the particular company provided for in this bill. On the contrary, that government feels strongly that no bona fide company should be refused incorporation and thus deprive and limit the province of Alberta from dealing with several companies instead of one. The leader of the Social Credit group also made it quite clear that he wanted a vote on this bill on its merits and also wanted it referred to a committee of the house.

I repeat that the bill that passed the house covers only the provinces of Alberta and British Columbia—Saskatchewan was completely out in the cold. Should this bill pass permission will be given to incorporate a company that can operate in Saskatchewan. It looks to me very much as though there were a nigger in the woodpile. The same hon. gentlemen are now strenuously opposing the granting of a charter to a company which the government of Alberta is in favour of.

The Prime Minister (Mr. St. Laurent) gave an opinion which I concur in with deference—I submit the hon. member for Calgary West (Mr. Smith) concurred in it also—that the province of Alberta alone has jurisdiction over the oil in Alberta while it is in Alberta. In addition conservation measures were prepared by the hon. member for Calgary West, according to his statement—we will presume that with his usual thoroughness he included every protection necessary for the province of Alberta—and they provide that the conservation board must ratify and give consent to the exportation of oil or gas from Alberta. Until they do that neither the company that has been formed nor the company that is proposed by this bill will be able to build a pipe line to move gas or oil out of the province of Alberta.

Then in addition the province of Alberta has safeguarded itself further in connection with how much oil or gas shall be exported from the province. They have ruled, and properly so, that the people of Alberta must come first and then the other provinces and the United States. The hon. member for

Vancouver-Quadra is criticizing Liberal members who voted for another bill which was in accordance with the wishes of the government of Alberta. I would remind them that there never was any motion to amend or restrict that bill. There was never even a suggestion that there should not be exportation to the United States. The hon. member for Vancouver-Quadra did say that he thought our own people should be served first, but there was no attempt to amend or restrict the legislation. I submit that from a legal point of view you could not have restricted it.

Mr. Cruickshank: Does the hon. member say seriously that there was no motion before the house that the bill be amended to provide for an all-Canadian route?

Mr. Stewart (Yorkton): I say that there was no amendment introduced to the bill that passed this house which related to Alberta and British Columbia.

Mr. Cruickshank: There was an amendment.

Mr. Stewart (Yorkton): The hon. member for Fraser Valley did not oppose that bill, which was worded similarly to this bill. He never said a word during the whole debate as to the provisions of the bill that passed this House of Commons. He did ask a simple question as to whether the bill permitted exportation from Canada. All the hon. member did was to ask that gentle question and get an answer.

Mr. Cruickshank: I disagree entirely with my hon. friend.

Mr. Stewart (Yorkton): The hon. member is not reported in *Hansard*. He will have an opportunity later in this debate to produce *Hansard*.

Mr. Cruickshank: I intend to be on *Hansard*.

Mr. Speaker: May I remind hon. members that they should address the Chair and not engage in conversation.

Mr. McIvor: Which would cost more, a pipe line to Saskatchewan or a pipe line to British Columbia?

Mr. Stewart (Yorkton): Because of the mountains, a pipe line to British Columbia would naturally cost more than one to Saskatchewan. We have some splendid cities in that province, including Saskatoon, Moose Jaw and Regina, and I am not forgetting my own city of Yorkton. No provision for Saskatchewan was made in the bill for which the hon. member for Fraser Valley voted.

I should like to go further and quote the opinion of the Prime Minister in support of my contention that the province of Alberta has the whole say as to whether a pipe line is built for the purpose of exporting oil from that province. The same thing applies to Quebec. For thirty years that province has had the right to say that pulpwood could not be cut unless it was manufactured in Canada.

Mr. Cruickshank: Oh.

Mr. Stewart (Yorkton): The hon. member for Fraser Valley disagrees with his own leader. I think possibly his leader knows a little more law than the hon. member for Fraser Valley.

Mr. Cruickshank: I concede that, and distinctly more than you do.

Mr. Stewart (Yorkton): I should like to quote from page 2651 of *Hansard* of April 27, 1949, where the Prime Minister is reported as follows:

> I do not think the parliament of Canada would have the right to say to those operating on crown lands in the province of Quebec. "You shall have the right to export wood cut on those crown lands." That wood is simply not exportable. I would imagine it might be the same situation with respect to gas taken from concessions in any other province. I would imagine the province would have the right to say, "We will allow you to exploit these lands provided you do not send the product from these lands outside of Canada."

As Alberta has the right to do. The Prime Minister continued:

> In that case I do not think any licence granted under federal authority would authorize a concessionaire to export contrary to the conditions of his concession from the owners, that is to say, the provincial government.
>
> Mr. Smith (Calgary West): That is a term of the contract.

He apparently agreed with the Prime Minister.

> Mr. St. Laurent: A term of the contract, and I do not think, whatever be the terms of the federal legislation with respect to permits, that such a permit could give one holding a concession the right to violate his contract.

In other words, any company will first have to enter into a contract with the government of the province of Alberta, and no doubt that government will make sure that the contract is fair not only to Alberta but also to the other provinces of Canada. I think the government of British Columbia realizes that because, since we have been debating this matter, a motion was passed unanimously by their legislature urging that the pipe line be built in Canada. They also sent their attorney general to the government of Alberta, and that is the proper place to go. They have the first say. The Prime Minister said:

> . . . I do not think, whatever be the terms of the federal legislation with respect to permits, that such a permit could give one holding a concession the

right to violate his contract. It might very well be that, although the owner under the contract did not forbid exportation—

The province of Alberta is the owner of 90 per cent of their oil and gas and they likely would forbid export.

—parliament could say, "we will not allow you to export gas because we have the control of foreign trade, we will not allow that commodity to go out without a permit, and we will not give you a permit." I do not think, however, they could do the reverse and say, "we will allow you to export it no matter what the province, as the owner of the land from which it is taken, wants you to do with it."

That is the opinion of the Prime Minister. By giving second reading to the bill we will then have the opportunity to send it to a committee of the house. The people of British Columbia and Saskatchewan have no protection under the bill passed last April. Any company will have to go first to the government of the province of Alberta which has the first say. Under our law they next have to go to the board of transport commissioners, and under the Electricity and Fluid Exportation Act passed in 1907, which is chapter 54 of the Revised Statutes of Canada, 1927, they have to get a permit from the Minister of Trade and Commerce (Mr. Howe), and you have his declaration on the matter.

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

Mr. Stewart (Yorkton): Yes.

Mr. Knowles: Quite honestly it is an attempt to clear up a point. I think it is understood that the province of Alberta would have the say as to whether or not its natural products are to be exported, but if this measure is passed does the hon. member suggest that the province of Alberta would have the right to deny to the company the right to build its pipe line wherever it chooses to do so?

Mr. Stewart (Yorkton): Yes, I would go that far, and I think the Prime Minister agrees with that view. Ownership of 90 per cent of the land in Alberta is in the crown, and the rest is privately owned. The government of the province of Alberta has passed regulations under its conservation bill.

Mr. Knowles: Respecting the export of its raw materials.

Mr. Stewart (Yorkton): And relating to oil and gas. They give a permit to the company to operate. They charge a licence fee and in the licence they also stipulate where the company can operate and what it can do.

Mr. Knowles: Where does the board of transport commissioners come in?

Mr. Stewart (Yorkton): The board of transport commissioners comes in under our own statutes. Then we also have an old statute relating to the export of gas and oil, chapter 54 of the Revised Statutes of Canada, 1927. It gives the Minister of Trade and Commerce the right to refuse or to grant a permit. You have the declaration of the Minister of Trade and Commerce that he intends to do as he has on other occasions. As was pointed out during the debate last April, he did so in connection with other matters and gave protection to Canada. He will not grant a permit unless he thinks one should be granted, and he can revoke it at any time. In this case the minister says that he has the assurance of the company which is applying for a charter that they will build in Canada. Furthermore, the hon. member for Calgary West (Mr. Smith) says that he heard that.

Mr. Cruickshank: Will you permit a question? Did the minister say they would build their line entirely within Canada?

Mr. Green: He did not say that.

Mr. Stewart (Yorkton): The Minister of Trade and Commerce said they had assured him that they would build in Canada.

Mr. Green: No, he did not say that.

Mr. Stewart (Yorkton): I think he went that far.

Mr. Cruickshank: We are glad to hear you say it on his behalf.

Mr. Stewart (Yorkton): I have read you his answer from *Hansard*. With reference to the question of the hon. member for Winnipeg North Centre (Mr. Knowles), may I point out that the Prime Minister said at page 2652 of *Hansard* for April 27, 1949:

I cannot change the constitution.

He is referring to our own powers.

In my view the resources of a province are controlled by the legislation of that province.

Alberta has its legislation.

If there is legislation in the province of Alberta saying that the owners of fields where there is gas must comply with regulations made by a board set up under the authority of that legislation—

The hon. member for Calgary West referred to the activities of the board.

—I think as a lawyer they would have to do so, because that is control of property and civil rights within the province. The federal government has the right to control export but it cannot force export.

I think that answers your question.

Mr. Knowles: I think the hon. member must have misunderstood my question. I was not asking where Alberta comes into the picture so far as the export of raw materials

is concerned. My question related to the building of the pipe line once this charter has been granted.

Mr. Stewart (Yorkton): I referred you to what happened in Quebec, as did the Prime Minister, in the matter of cutting pulpwood. Once it is severed from the land it is severed whether it is oil or pulpwood.

Mr. Knowles: That does not apply at all.

Mr. Stewart (Yorkton): I disagree with you there. The Prime Minister also said:

> The laws relating to the hon. member's property are under the jurisdiction of the provincial legislature, but if it is something that is free to be dealt with the federal government can say, notwithstanding that it is free to be dealt with, "we will not give you a permit to export it unless you comply with such and such regulation."

The hon. member for Calgary West agreed with that. At page 2653 of *Hansard* for April 27, 1949, he said:

> Or to cross a boundary.

Following that remark the Prime Minister said:

> Or to cross a boundary—unless you comply with such and such regulation. But they cannot make exportable something that is governed by a provincial law which makes it non-exportable.

Surely that answers your question.

Mr. Knowles: I am sorry, it does not.

Mr. Stewart (Yorkton): In spite of what the hon. member has just said, the legislature of the province of Quebec has made pulpwood, which is a product of the forests, non-exportable from Canada in an unmanufactured state. That has been going on for over thirty years and the law has been respected and followed, and is valid legislation. Therefore I say that, in so far as the province of Saskatchewan is concerned, I am in favour of the bill being given second reading and going before a committee of the house. I am most surprised that members of the C.C.F. are opposing the government of the province of Alberta which wants the bill passed. They want competition. If you leave the situation as it is with only one measure incorporating a company on the statute books you are creating a monopoly. You are allowing only one company to have a charter. It is far more favourable to the people of Alberta, Saskatchewan and Manitoba to have several companies competing with each other. We will get cheaper gas and oil, but if you give a monopoly to one, as was done in April of 1949 without the C.C.F. saying one word against it, without even moving an amendment, you are simply building up a monopoly, and you have done that in the province of Saskatchewan.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the hon. member for Yorkton, who has just concluded his remarks, has made some statements which I think require to be dealt with immediately. I should like to deal with the last one first. He said that if no further companies are permitted incorporation before this house we will be creating a monopoly. It is not this house which will be creating a monopoly. The very nature of the gas pipe line industry itself creates a monopoly. For that and similar reasons the Alberta government has set up its gas conservation board and the British Columbia government has set up its public utilities commission. The two provinces have similar legislation to control the price to be charged for those products or utilities which are in the nature of monopolies. So the fact that there may be two or three companies seeking incorporation, or that two or three companies may be incorporated, would not make the slightest difference to the price of gas in Alberta or British Columbia, in that set-up.

So the issue before us, and the only issue, is whether or not we shall incorporate a company which has declared that it intends to build its line through the United States. It is on that issue that we as members of this house are asked to make up our minds in voting for or against this bill. Before I go on to deal with that point in detail may I refer to two or three other arguments advanced by the hon. member for Yorkton (Mr. Stewart). He has referred to the fact that last year we incorporated a number of companies. At least two if not three of the companies he mentioned had to do with oil pipe lines. The Interprovincial and the B-A are certainly oil pipe lines; and an oil pipe line has nothing in common with a gas pipe line. What is before us tonight is a bill to incorporate a company to build a gas pipe line. An oil pipe line is a common carrier. The oil must be taken to a refinery and processed before it is of any use. Gas, however, is available as soon as you put in a branch or distributing line and tap the main pipe line. You have a commodity in a form in which it can be used right away. So there is no comparison between the two undertakings; and the fact that last year we incorporated oil pipe-line companies is no argument in favour of continuing to incorporate gas pipe-line companies.

Let me say further that while we incorporated the Westcoast company last year to convey gas, when it was realized that there was before the house no undertaking from the company as to whether or not they would serve Canada first, the company was asked in committee—which was the only available place at that time where they could be asked—whether they would build their line through Canada or where they intended to build it;

and as the hon. member for Vancouver-Quadra (Mr. Green) has pointed out, they gave a firm undertaking to build their line through Canada. Since that time they have been before the Alberta board asking permission to export gas over a Canadian route which they have laid down in black and white.

Mr. Stewart (Yorkton): Is that line not for gas or oil?

Mr. Fulton: Gas.

Mr. Stewart (Yorkton): Look at your statute.

Mr. Fulton: I am referring to the application made by the company to the Alberta board.

Mr. Stewart (Yorkton): I would point out to the hon. member that the Westcoast company has to do with gas and oil.

Mr. Fulton: The proposal was to construct a gas pipe line. There are certain considerations which must be borne in mind by hon. members when dealing with this bill, considerations of national as well as local policy. May I deal first with the considerations of local policy. I would inform the house that yesterday the British Columbia legislature passed unanimously a resolution asking that the pipe line from the Alberta gas fields to the Pacific coast should be built through Canada.

Mr. Cruickshank: Would the hon. member permit a question on that? Am I not correct in saying that in the coalition government of British Columbia there are both Liberals and Conservatives, and that it was also endorsed by the C.C.F.?

Mr. Fulton: That statement is correct.

Mr. Stewart (Yorkton): Did British Columbia also ask that we should not pass this bill?

Mr. Fulton: I shall read the resolution which was adopted unanimously by the British Columbia legislature yesterday. It was introduced by Mr. G. E. Braden, M.L.A. for Peace River:

Whereas there are strong indications that a great potential of both petroleum and natural gas exists in the northeastern section of British Columbia:

And whereas exploration is presently taking place to ascertain the extent and value of these resources:

And whereas it would be a further incentive to greater and more intensive exploration if an outlet to market of these commodities was available:

And whereas proposals are now being considered for the construction of gas and petroleum pipe lines from available supplies in Alberta to Vancouver and the Pacific coast states of the United States:

And referring to the last question of the hon. member for Yorkton, I might say that those words—

Mr. Stewart (Yorkton): Read it.

Mr. Fulton: Obviously those words refer to the proposals now before this house. The resolution continues:

And whereas, in the opinion of many members of this legislature the requirements of Canadians in this connection would be a matter of first consideration:

And whereas the industrial development of the interior of British Columba as well as the Vancouver and Fraser valley areas would be greatly stimulated by the construction of oil and natural gas pipe lines from Alberta and northeastern British Columbia through the interior of British Columbia to the Pacific coast:

And whereas, if the proposed northern route is followed, many millions of dollars will be spent in British Columbia in the construction of the lines with consequent employment of thousands of our citizens:

Therefore be it resolved, that the legislative assembly of the province of British Columbia urge upon the federal and provincial authorities concerned the advisability in the interests not only of British Columbia but of Canada as well that such pipe lines be constructed through the Yellowhead pass and thence through the interior of British Columbia to Vancouver, with provision for the extension of the line to the Peace river block so that when sufficient supplies of petroleum and natural gas are available in that area there will be an available outlet to market without unnecessary delay.

Mr. Cruickshank: Now would the hon. member permit another question on that, just to make it clear? That was adopted by all parties, was it not?

Mr. Fulton: That resolution was adopted, as the hon. member said, by all parties in the British Columbia house.

Mr. Stewart (Yorkton): And they did not oppose this bill.

Mr. Fulton: As hon. members of this house know, at the present time there is a coalition government in British Columbia made up of Liberal and Conservative members, the opposition being the C.C.F.; and every member in the house subscribed to this resolution. It asks in specific terms that the route of the proposed pipe line from Alberta to the Pacific coast be through the Yellowhead pass and into British Columbia. That is the route proposed to be followed by the Westcoast Transmission Company; and so far that company alone has given the assurance that this route will be followed. Speaking for myself—though if I have been able to follow the arguments of others who have spoken I think I can speak for them as well—if any other company seeking incorporation will give a similar undertaking that it will follow this route to British Columbia, then I will withdraw my objection to its bill.

I am basing my stand and my appeal to the members of this house tonight on what this

pipe line, if it is built through British Columbia, will mean to the area I come from, to my province, and to this country, and what it will mean to have the principle accepted that pipe lines transporting Canadian resources should serve Canada first.

May I just remind hon. members of the two alternatives placed before the house by the member for Vancouver-Quadra (Mr. Green), in his very able speech the other day. He placed before us the two alternatives we have in considering these bills. On the one hand, there is the possibility of a route through Canada, serving the Canadian cities en route, and providing adequate natural gas for those cities, as far as we know forever, and certainly for the foreseeable future. That route from Alberta to the Pacific coast, if it is built through Canada, will not only supply the Vancouver and Pacific coast market, but it will serve the Canadian cities in the interior of British Columbia through which it passes. And such a pipe line, Mr. Speaker, will serve the Pacific coast market, including the United States cities on the Pacific coast, just as well if it is built through the interior of British Columbia, as it will if the route is down through the United States. So there is no question of any member who has spoken in opposition to this bill seeking to deny export of gas to the United States. There will be as much gas exported to the United States through that Yellowhead route as there will be through the U.S. route these companies are asking for. Our point is that we want the route to go through Canada first, and serve the Canadian cities en route.

Mr. Stewart (Yorkton): Will the hon. member permit one more question? Do you agree with the statement made by the member for Calgary West (Mr. Smith) before the Gyro club in the city of Ottawa? This is the statement:

> . . . oil and gas are found together and so abundant is the latter that "enough gas to supply the needs of Toronto, Ottawa, Montreal and all eastern Canada is being wasted in flares. If we had a market for our gas, we could continue our search for oil," said the speaker in conclusion.

Mr. Fulton: We are trying to get a market for it.

Mr. Cruickshank: We want the pipe line routed through Canada.

Mr. Fulton: If the hon. gentleman would open his mind, instead of closing it, he would realize that we are all equally ready to serve Alberta, and help find a market, but we want the pipe line routed to its market through Canada instead of the United States. We have one proposition, a route to the Pacific coast of the United States through Canada, and serving the Canadian cities and towns en route. We have the other alternative of a route proposed by this company whose bill is before us tonight, the major portion of which would run through the United States. It would serve the same ultimate market on the Pacific coast, without any similar advantages to Canada. There would be no advantage to Canada, either in its construction, because it will be built through the United States, or in its maintenance, because it will lie in the United States. There will be no service to the Canadian cities in the interior of the province of British Columbia, which would be served by the other route.

Why is it there are only these two alternatives? Why is it that if the route to the Pacific coast is through the United States the interior of British Columbia will not be served? The answer is, and again I am quoting, amongst others, the authority of the member for Calgary West, upon whose statements the member for Yorkton seems to place a good deal of reliance, that there will be only one pipe line from Alberta to the Pacific coast. If hon. members will reflect, they will see that is the case. The significance of that factor is, and I think it must be admitted, that the market in the interior of British Columbia, Kamloops, Vernon, Kelowna and Penticton—those interior cities—is not large enough to warrant a separate pipe line being built to serve that market alone. If, therefore, that line goes to Vancouver and the Pacific coast via the United States and does not go through our area, we will not get a pipe line built back up from the coast to serve us. If the line goes by any other route, we will not be served with gas. If it is built through our area, then it is a simple matter—I have talked with the officials of the company—to serve the cities along that route.

Furthermore, a definite assurance has been given that the company will service these cities, and will service the whole of the Okanagan area as well. I ask hon. members to consider the area which is vitally concerned in this matter. There are the four large centres I have mentioned, Kamloops, Vernon, Kelowna, Penticton, all cities of between ten and fifteen thousand people. Each one serves a tremendous area of its own. The other cities farther to the south, Oliver and Osoyoos, and the Merritt, Princeton and Hope districts will be served as well. To put a conservative estimate on it, that area contains at least 100,000 to 150,000 people. If this pipe line follows the route to the United States, that area will not be served with gas. You can see, Mr. Speaker, what it means to have the pipe line built through the interior of British Columbia.

I should like to lay before the house some of the telegrams and resolutions—

Mr. Laing: Would the hon. member permit a question before he proceeds with that? I think he will admit that the gas, in a city like Kamloops, would have to be retailed, regardless of whether or not a pipe line came through Kamloops or adjacent to Kamloops. The gas would have to be retailed by a company in Kamloops. The hon. member has a great collection of figures tonight. Has he any figures of the economic minimum of service within the retail area that would justify a retail distribution such as that? Further, would he deny—

Mr. Fulton: I should like to answer the questions one at a time.

Mr. Laing: Will he deny that the economic—

Mr. Fulton: If the hon. member has the great interest which his position as a British Columbia member—

An hon. Member: Answer the question.

Mr. Cruickshank: Let him make his own speech.

Mr. Sinclair: Answer the question.

Mr. Speaker: I would remind hon. members that the member for Kamloops has the floor.

Mr. Fulton: I shall answer the hon. member, but I should like to answer questions which are put singly and not in groups. If the hon. member has the great interest which his position as a British Columbia member—

Mr. Sinclair: Answer the question.

Mr. Fulton: —should give him, he might give us the benefit of his views when he speaks—

Mr. Cruickshank: Hear, hear.

Mr. Fulton: —instead of, as he did last time, carefully taking a position on both sides of the question.

Mr. Sinclair: Answer the question.

Mr. Cruickshank: Tell him to make his own speech.

Mr. Fulton: To answer the question which the hon. member has asked me, I have talked this matter over with the officials of the Westcoast Transmission Company—

Some hon. Members: Oh, oh.

Mr. Fulton: —who assure me that the problem of supplying cities such as Kamloops, Kelowna and Penticton with natural gas on the route of the pipe line is a problem which they are well qualified to handle, and one which they are prepared and anxious to undertake. They have looked into the matter, and have satisfied themselves it will be economically desirable for them to supply that market if their pipe line goes through that area.

Then, dealing with the question of the views of the people whom I represent, I should like to read some of the resolutions which have been sent to me in support of the Canadian route. On February 13, the Kamloops board of trade passed a resolution which reads as follows:

> Whereas it is the opinion of this Kamloops board of trade that Canada's natural resources should be used to serve Canada first and to promote the welfare and growth of the Canadian economy before being exported;
>
> and whereas there is need of a conscious and dynamic policy to develop Canada's resources and economy;
>
> therefore be it resolved that with respect to the construction of a gas pipe line to serve Pacific coast cities using Alberta natural gas this Kamloops board of trade is of opinion that the route of such pipe line should be built so far as possible through Canadian territory first so as to serve Canadian cities before the gas is exported to the United States.

At their meeting last Sunday in Revelstoke, the Mainline-Okanagan associated boards of trade endorsed that resolution according to a wire I received today; and that association represents the main line boards of trade from Chilliwack to Revelstoke and the Okanagan boards of trade from the areas of Vernon, Kelowna and Penticton, all those areas being unanimous in support of the resolution.

I have similar letters or resolutions from the Kamloops junior chamber of commerce, the Osoyoos junior chamber of commerce, the Penticton junior chamber of commerce, the Smithers junior chamber of commerce, the Vernon junior chamber of commerce—

Mr. Stewart (Yorkton): Do any of these resolutions oppose this bill?

Mr. Fulton: —the central north Thompson board of trade, the Blue river and district board of trade and the Rutland board of trade. Those are only some of the resolutions and telegrams which hon. members from the interior of British Columbia have been receiving in connection with this matter.

Mr. Cruickshank: And the Fraser valley.

Mr. Fulton: In our desire to obtain the services of a cheap source of power, which we will obtain only if this pipe line is routed through British Columbia, we in the interior of the province face a problem which is very much the same as the over-all problem as between Canada and the enormously more powerful industrial nation of the United States, which brings me to a consideration of the wider implications of this measure and what I consider should be a national policy for the use of Canada's resources. As in all areas which are not yet fully developed and

industrialized, we in the interior of British Columbia are at a disadvantage as compared with the more heavily industrialized centres of the country. Whenever you go to an industry and try to attract it to such areas as that, the answer is that they are too far from the markets and that they are too far from cheap sources of power to make it economically wise to build their industry in that area; hence we go around in what sometimes amounts to a sort of vicious circle. Because the sources of power and the markets already exist, let us say at the coast, the industry goes down and establishes there. This action increases the market, it increases the facilities and increases the disproportion between the undeveloped and the developed areas. I am speaking here from the point of view of local interest. That is why we want this gas in the interior of British Columbia, and we can have it without doing any disservice to the coastal areas; because it is as advantageous to build through our district, and the supplies of gas are ample to supply us and still leave plenty over for Vancouver, the other Pacific coast cities, and the United States.

In that respect there is a parallel between our position vis-à-vis the already developed coastal areas and the position of Canada in comparison with the United States. If we allow this gas to go to the United States Pacific coast cities before it goes to Vancouver, the result is obvious. Vancouver will be at the end of a branch line. Vancouver's gas will cost more than the gas in the United States cities which will be served first. The United States is already more highly industrialized than is Canada. Because the gas will be served to them at a cheaper rate, it will be more attractive for industry to go to the United States, and hence the disproportion between Canada's industrial development and that of the United States will be perpetuated if the route should be built through the United States first.

That brings me to the broad national question of the policy of building Canada first, the policy which is actually inherent in this gas pipe-line bill and in the stand of those who are opposed to the incorporation of a company which does not give us the assurance that it will build its route through Canada. If the various governments of Canada had never taken the stand that Canada's resources should be developed for Canada first and that they were going to build a nation here north of the forty-ninth parallel, we would never have reached even the stage of development that we have today. One has only to think back to the history of the construction of our railways to realize that it is only when governments and parliaments assume their full responsibility with respect to the directing of the national policy that we can have national growth along conscious and positive lines.

Mr. Speaker, it is nine o'clock, and I move the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. Speaker: It being nine o'clock, the house will resume the business that was interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Mr. Pouliot: I wish to continue, Mr. Chairman, with what I was saying before the dinner recess. I was complaining of the silly program called "Comrades in Arms" or "Tambour Battant", which is pure nonsense. I was going to ask the minister, as he is familiar with the case of Romeo Santerre, if he would have any objection to taking him into the army again. This is my question, and the reason is obvious. He had something more and something much better than any university degree. He had experience in a theatre of war to the extent of several months. As I wrote on December 21 last, the experience that he has acquired on the battlefield should be a greater asset than any university education. May I ask the minister if he will take him into the army again.

Mr. Claxton: I shall be glad indeed to take into consideration the representations made by the hon. member, but I cannot guarantee that the candidate for service in the armed forces would conform to our requirements at the time. I shall be glad, however, to look into the matter again.

Mr. Pouliot: I thank the minister, but I will ask him to be kind enough to tell me something about the requirements for getting into the armed forces. It seems to me that the radio listener should be warned that applicants must have mortarboards before they can be admitted to the army. It is not fair to say to them, "Come in; come in", if they are not all accepted. Instead of the silly prologue to that broadcast a warning should

be given to all those who have not enough education, according to the standards established by the Department of National Defence. The program should be known as one to invite people not to enlist, instead of one calling them to the colours.

This is something absolutely nonsensical. Why should a country pay for that program if it serves no purpose, and if those who are willing to enlist are refused the opportunity, particularly when they show what Mr. King would have called good will? That is something beyond my understanding. I do not understand it at all.

I would ask the minister to be good enough to give us the titles of the songs on the program, the titles of the musical parts, both in French and in English, since their beginning. We will see that we will have Strauss and all the other Viennese composers coming to the fore to call people to the colours. Well, if so, it will be quite unusual. I want to know, further, how much this cost the country, and what the results were. In the case of Romeo Santerre they were nil. I am wondering if they have been better for others.

It may be that other fellows who were qualified to be good soldiers, who had good eyesight so that they could shoot straight, and who were able-bodied, have been refused, perhaps because they could not write Latin verse, or because they could not make a translation from French into Greek.

It is the funniest thing; in virtue of the North Atlantic pact, I was under the impression that these things had been decided, and that the examples I have given must have been due to the eccentricities of someone from Oxford or Cambridge, or from some French lycée who wished to show his importance in the drafting of a program like that.

What are the important qualifications of a soldier? He must have sufficient intelligence to understand orders given to him by his commanding officer; he must have good health and good training. I appeal to all those who have been in the army, I appeal to the minister and to his critic, the hon. member for Nanaimo (Mr. Pearkes), and ask them bluntly if the best soldiers they had under them were not precisely lumberjacks who, perhaps, could not read or write, but who were always on the job. They were the best shots, the best marksmen. They were able to walk long distances and were physically trained to be soldiers.

Those men were not university graduates—far from it. They were the ones who went to war under the command of experienced officers such as the hon. member for Nanaimo, and others.

Some hon. Members: Hear, hear.

Mr. Pouliot: I thank hon. members who are returned men for their approval. They were fortunate enough to have education, but they did not turn a cold shoulder to the men who were the backbone of the army, and who were always there when there was a difficult task to accomplish. That is that.

We are in an age of super-education. We are in an age of mortarboards and gowns. We are in an age where people are much too clever. That is why Romeo Santerre was not accepted when he wanted to enlist again as a private. Incredible! I know Romeo Santerre well. He is a nice, clean fellow.

Mr. Pearkes: A good man in a tight corner.

Mr. Pouliot: Yes, a straight, first-class man for the army. I would not recommend him as secretary to my hon. friend, or as chief of staff in the Department of National Defence; but I do recommend him as a private soldier. He wants to be a private soldier, and I want him to be.

I am for the voluntary system; I am not for conscription. During the last war the government sent military police to look after the farmers' sons and to take them to the clink. I believed the farmers were needed on the farms, and objected to the action then taken. I was for voluntary service, and when a young man wants to enlist I do not see why those who call for recruiting should object to it. That is why I am so insistent upon having this man accepted in the army. I guarantee to the minister that he will be a good soldier.

I have another case to put before the minister, and this one refers to a young man with more education than the first one I mentioned. He is a fine fellow, but was not accepted in the R.C.A.F. because he had a year less in education than was required for the training. A notice was sent to him in French, and I see in that letter some mistakes in French grammar. The letter was sent by the commanding officer of the Quebec station. I say that officer should first learn French grammar, before he is in a position to tell others to be well educated. It is absurd!

There are other cases. I have many others, but I brought only a few with me to the chamber. The one I shall now mention concerns a cook who would like to join the army to serve in the kitchen and to prepare good meals. This man is a good cook, but he suffers a little from his feet. I understand that a cook is not required to be a professor of gymnastics; he has other things to do than playing the role of acrobat in the army. Because this man has sore feet he is not to be admitted. There are obstacles in the way all the time.

I place before the house another case concerning a man whose name I shall not give, but who is at present in jail. This man would like to be in the army and his case is before the parliamentary assistant. He is in jail because he made a mistake, but that should be forgotten. He is a good marksman and would be able to kill the enemy. If there is a war he is the one I would recommend because he would not miss his mark.

Mr. Drew: Is that what he is in jail for?

Mr. Pouliot: In war everything is permitted. I am relating these stories to indicate that I am not alone in having some good will, as Mr. King would say. There are many others who have good will and who are ready to enlist in the army, but they cannot. Probably when this fellow was in jail the radio of the keeper was on full blast and he heard the famous programs, "Comrades in Arms" and "Tambour Battant". He then said to himself, "This is my chance to get into the army; it is a fine place for me and I am ready to go." Perhaps that was the result of the fine programs in English and French that are heard over C.B.C. at times.

I shall try to summarize these cases as much as I can. During the first days of the war I offered to raise a regiment in my county in one week for the defence of Canada, but my offer was turned down. I never thought that I would be again insisting that the wishes of those who wanted to get into the army should be fulfilled. But the fact is that many of these men are born warriors.

Then a word about the reserve army. Many of the officers connected with this organization consider themselves very important. Probably they never saw a German or a Jap or any one of our enemies during the last war except from a distance when they were brought here as prisoners. Nevertheless they consider themselves to be important people. I have a letter here about the way cadet officers in the reserve army were dealt with. There was a Captain Schooley, the chief instructor, and a Lieutenant Ravel. I do not know if he is French or Huguenot, but he did not seem to recognize the French language in the camp. Captain Schooley said many times in the class that French was not a handicap to the men speaking that language; it only meant that they had to study three or four times as hard.

The lectures and examinations were all in English. No one spoke French. All the officers were strong personalities and they established an atmosphere in which it was not good for French-speaking people to live. This certainly was less attractive than the broadcasts "Comrades in Arms" and "Tambour Battant." They were much more interesting.

I mention these things because I think it is positively unfair to invite a person to come to you and then close the door when he arrives. It is not even good manners. I want to bring these facts before the committee in the presence of the minister. The minister must not take it for granted that the brass hats in his department are infallible. I knew most of them during the war and I found them to be as stupid as stones. You could not get anything out of them. They were born stupid. Probably they had a fine education, but no one could see what benefit they got from them. I have never been in the army, but I certainly used the language of the buck private with regard to the high-ups.

An hon. Member: That is why we like you.

Mr. Pouliot: I appreciate that remark. It does my heart good to hear remarks like that when I say something that I dislike to say. We are not going to be bossed indefinitely by these brass hats. It is nonsense to ever think of that. A great many of them are still there. We won the first world war, we won the second world war, and they were there in their swivel chairs. During the war we heard much about the importance of swivel chairs. They were going from hemisphere to hemisphere in their swivel chairs.

An hon. Member: Around and around.

Mr. Pouliot: They were rolling around. I do not want to take up too much time, and besides my time is limited. Yesterday a return was tabled dealing with a private who had been accepted in the army and placed in category A. That meant that his health was good, that he was well, that he was able-bodied, that he was physically qualified to be a good soldier. When he was discharged his Pulhem test P dropped from 1 to 3; M dropped from 2 to 4; S dropped from 1 to 4. This man was well when he was taken into the army but he was no longer well when he came out. It was evident that he suffered disabilities during his service. He was accepted as being in category A, in good health, but when he was discharged his papers indicated that he was no longer well.

Why not be generous and give this man a pension? The minister may say that this matter does not come under the Department of National Defence, but that department was responsible for the medical examination in the first place. He was examined by army doctors, not by doctors of the Department of Veterans Affairs. That man was not on pension when he was examined for the first time. He was entering the army. He was

accepted in the army as a man who was fit. Then he had some service, and when he was discharged he was not at all in the same condition of health as when he entered. When it is established in that manner that that man has suffered a disability of any kind, the presumption is that it was due unquestionably to his military service, but we are told that the disability from which he suffers existed before his enlistment or occurred after his discharge. No pension is paid to him.

I complain in the most severe language against the pension commissioners, but we must also complain against the army doctors who have not fulfilled their duty. To the new members of the house may I say that during the war I had to fight for the soldiers and against the doctors. I received protests from very high medical authorities, but after I had sent them copies of *Hansard*, in which statements that were according to the facts showed beyond any doubt that the doctors referred to were incompetent, then they said: We never thought that it was as bad as that.

I hope that these people will receive justice, and that justice will not be denied them because the departments concerned refuse to acknowledge the fallibility of certain doctors. I will have other opportunities to speak about this matter. I can tell the minister that some of the cases I have mentioned have amusing aspects superficially, but if we consider them seriously we will realize it is a pity that there are such obstacles in the way of patriotic young men who desire to serve their country, who are qualified to accomplish that noble duty, and who cannot do so on account of the stupidity and procrastination of some important bigwigs in the Department of National Defence. In my humble view it is time to stop it. After the sitting this afternoon I met many of my colleagues who told me that I was perfectly right, and that they realized the difficulties young men have to get into the army, especially if they are from the province of Quebec. As I am an advocate of voluntary service, I hope that those who are willing to enter the army will have no obstacles placed in their way, and will be admitted as the good Canadians that they are.

Mr. Macdonnell (Greenwood): Mr. Chairman, I am afraid I shall not be able to bring to you the technical skill that the hon. member for Nanaimo did this afternoon nor the sprightly personalities with which the hon. member for Temiscouata has just delighted us. I certainly agree with him that I would much rather have a good cook with bad feet than a bad cook with good feet. Indeed, it seems to me there might be some possible advantage in having a cook whose feet were not too good because it might keep him beside the stove on his job. I would say to the hon. member, however, that I had a very desolating experience in 1939 which perhaps throws some light on the different qualifications which apparently are now required from soldiers. A friend of mine, who like myself had been in the first war, received a letter from his son who had joined up for the second war. This was in the autumn of 1939, and the letter contained a sentence which was devastating to us. The young man wrote to his father and said: War has now reached the stage where an intelligent man can take part in it. I submit to the hon. member for Temiscouata that possibly that has something to do with the new regulations.

Tonight I propose not to talk about the technique of war, which indeed I am not qualified to do, but to discuss the question of how we in the opposition are to discharge our duty with respect to the expenditure of the huge sums of money that are now being brought before the house by the Minister of National Defence. I listened of course with great interest, as other hon. members did, to his speech this afternoon. Certainly when one thinks that he has been from Alaska as far as Berlin or farther in the course of his duties, it gives us an idea both of the way the world has shrunk and of the way in which our responsibilities have extended. I could not help taking a particular interest in the paymaster who jumped with the men. If he landed in Alaska I hope he had the proper qualifications from the foreign exchange control board before he started out; otherwise he may be in for great difficulties. I must say I sympathize with him in taking those risks merely for the sake of seeing that the men had their money. I would have thought that a little higher degree of organization might have enabled the men to have their money before they started, but maybe he was a sporting fellow and liked to jump.

Mr. Claxton: He landed in Alaska, he brought the money, the men received the money in Alaska in Canadian funds, made their purchases in Canadian funds, and everything was fine.

Mr. Macdonnell (Greenwood): Oh, I see; you had a sort of extraterritoriality there. At any rate, there it is. I think we agree with the minister that the meetings which he attends, and which produce the personal contacts that he mentioned, are valuable as he says. We find it easy to accept his assurance that our men compare very favourably with any others. When he says that our defence is in better shape than it ever was before in peacetime I think we will say it certainly ought to be, considering the amount we are spending on it.

I feel almost apologetic in bringing the house to the sordid consideration of money and how it is to be spent, but after all that is our duty, and therefore I propose to do so.

I should like to remind the house again of the huge total sum which we are considering, some $579 million, more, if I remember correctly, than our whole expenditure in the last year before the war. I should like to refer the committee particularly to just one of the large lump expenditures that we are facing. I have picked this one out because it is the largest single gobbet that I see, that is to say, $80 million odd in the air force for stores, equipment, aircraft and so on. I mention that just to bring before the committee the astonishing size of the amounts that we are now dealing with.

I go on to ask what is the duty of the government and of the opposition—because after all we are part of the machinery of government in this country—in these circumstances; and I want to read just part of a sentence from a small book by a distinguished British parliamentarian, Quintin Hogg, which is called "The Purpose of Parliament":

> It is not the right of the government to stifle criticism; it must, therefore, put down for discussion such financial items as the opposition wish to discuss.

That, of course, refers to the British practice, and I merely want to stress the one word "discuss". It is the matter of discussion I wish to bring to the attention of the committee; and I suggest that you cannot discuss a thing unless you have the necessary information enabling you to do so. It is this question of information which I wish to bat up to the minister, so to speak, tonight.

I want to say a general word about the way this house now deals with the estimates that come before it. If an intelligent citizen observed all the time this house spends in dealing with the estimates and saw what really happens, I think he might very easily come to the conclusion that he had been witnessing a solemn farce; for I doubt if a single member in this house has ever seen a single dollar lopped off a single item. If the hon. member for Quebec South were in his place he would be an exception, because I find that in 1922 he was actually instrumental in having some hundreds of thousands of dollars lopped off the defence estimates, when his own party was in power. But then, of course, the hon. member has qualities and capacities which are denied to us more ordinary people.

What happens now? I think all hon. members will agree that when an estimate comes into this house it is a government measure. We do not discuss it. We ask questions about it, but we do not discuss it. What Quintin Hogg says should happen does not happen, because when you discuss a thing presumably it is with the idea that something is going to be done about it. Since I have been in this house, as far as I can remember, not a dollar has ever been cut off any estimate that has come up. Everything brought in here is a government measure. Indeed, it is more than that; the ingenious Minister of Trade and Commerce—and I am sorry he is not here tonight—is able to use these estimates for the purpose of doing things for which there is no legislative authority whatever. Hon. members may remember that on April 7 of last year there was under discussion an item of some $800,000 in connection with the Canadian Commercial Corporation, I think; and after a great deal of wiggling the minister admitted in effect that there was no authority for it. But he said, "If parliament approves, the item will be confirmed by parliament." In other words, in effect he said, "We bring it in here and if it is approved, all right; it doesn't matter whether or not we have authority for it."

I am just making the point that there is no real discussion; that everything goes; that estimates are brought in here as government measures; and that as far as I can see our procedure in dealing with these estimates comes close to being a solemn farce. They are a means of eliciting a certain amount of information; they provide an opportunity to make speeches which we hope will be read by the people at home, and all that sort of thing; but as far as service of the state is concerned, it just is not so. It is under those circumstances that I want to ask the minister what he proposes to do here. As was pointed out this afternoon, we have been refused a committee, and that is that. Now I want to know how we are going to have any real discussion unless we get the information; and how is the information to be given? Are we to get the facts here in this committee of the whole? I think we all know how difficult it is to get information here, with no experts present. We would require a system of orderlies running in and out if there were a real desire on the part of the government to answer questions. Of course what really happens is that we get tired, tempers get short, and eventually out of sheer fatigue the items go through. There is no really satisfactory discussion; there cannot be under such a procedure.

In the case of these defence estimates that is accentuated over and over again, because here we have many items on which, of all things, we need expert assistance. This afternoon, when my colleague the hon. member for Nanaimo had finished speaking, the minister

very generously thanked him for his suggestions, and if I remember his words correctly even termed them constructive suggestions; yet neither the hon. member for Nanaimo nor anyone else in this house is to have an opportunity of talking with any of the experts. I will have a little more to say about that a little later on.

What has the minister said to us in answer to the complaints? He said one or two things. If I remember well, he said that never had so much information been given as now. I am not particularly interested in that statement. It is possible that we may have passed out of black darkness into twilight, and I am not going to argue on that; but I submit that what we want is light—I mean information in a way it has not been given before. I think that situation has to be faced.

Now let us look at these figures; let me look at this $80 million I mentioned previously. I am going to be in my riding tomorrow morning, and I have a great many intelligent electors there. I can imagine one of them saying, "What about this $80 million? Do you know anything about that?" I will have to say, "No, I don't know much about airplanes." Then I can imagine him asking, "Then how are you going to vote on that? Is anybody going to know anything about it"? I would reply, "The minister is going to tell us about it." Then my questioner might say, "Well, is the minister an expert?" I would have to reply, "Well, no; the minister very frankly said he was not an expert." Then I think my friend would say, "Well, have you any experts in the house at all, either on your own side or on the other side?" I would say, "Yes, we certainly have on our side some I would consider experts, such as the hon. member for Nanaimo and the hon. member for Calgary East, and I think there are others I could name. I am quite sure in the other corners of the house there are some people of the same kind, who could be useful in that discussion." Then I can imagine my questioner going on and questioning me making me look very silly, and finally saying, "Do you mean to tell me you are going to pass an item of $80 million, not knowing a thing about it at first hand, except what somebody tells you, and that has been passed on by somebody else?" I think he would go on to say, "That is a funny kind of joint you are running down there," and he would be quite right.

I ask the minister what he would have to say to that, because as far as I can see that is the position we are in. My questioner, I think, might very well say, "Well, it would seem a sensible thing to get together a group of these men who are more expert than you are and have them sit in with the minister's experts and discuss the whole thing." I would reply, "Yes, I should think that would be a very reasonable thing indeed, but the government would not allow that. That is the kind of government we have. They are so much better than the rest of us they do not need to discuss these matters with anyone in the house outside the government ranks."

Mr. Fulton: And they even have study groups.

Mr. Macdonnell (Greenwood): I wish I knew more about that study group. I really think the minister ought to help us a little on this. We are very modest people over here in the opposition. We read what the Prime Minister said the other day, that there are no people in Canada to be compared with the members of the cabinet; and I imagine he might include the parliamentary assistants as well. He did not say that, but they are a nice lot of chaps. And of course we know that he is going to Toronto, to that great university which I sometimes think is too pleased with itself, so that from time to time I have to remind it that smaller places have better quality than larger places; still it is a great university. The Prime Minister is to be there to establish the fact that there is no alternative to the present government. So, as I say, we approach this in a very modest manner; we are only asking for help in doing our duty, as far as it is possible for us to do it.

An hon. Member: Just farm boys trying to get along.

Mr. Macdonnell (Greenwood): That is right. Just here I should like to correct one misapprehension the minister is under. This will involve going back for just a moment to the debate on the proposal to establish a committee. Of course I am not going to debate that question at all; I am just putting this on the record because apparently the minister had it in his mind that what we suggested here was something that would require a constitutional change.

Mr. Claxton: Mr. Chairman, I think we must have a stop to this sort of effort to restore the debate to the position it was in before the decision was arrived at by this house that there would be no committee. Therefore, I suggest to you that the hon. member is out of order.

Mr. Drew: May I rise to point out that the motion that was before the house, and on which the house voted, was a motion for a general committee to inquire into the Department of National Defence and the connected problems of defence. There is absolutely nothing in the decision that was reached then

which would prevent the hon. member reviewing that decision. Certainly, there could be nothing in that decision to prevent the suggestion now that there should be a committee to consider defence estimates; that was not the motion before the house.

Mr. Macdonnell (Greenwood): Now, coming back, Mr. Chairman, to the suggestion that would lead to the defence estimates going to a committee—as I said, I am not arguing about the other committee at all. I am putting something on the record, because I think the minister would like to withdraw a mistaken statement, if he thinks it is mistaken after hearing what I read to him. It is very brief, but I want to read what was said by the leader of the opposition on November 18 last:

If the answer to the request is there can be no committee—

Mr. Claxton: Really, Mr. Chairman, we have to have a ruling on this. Either this parliament decides one thing once, or it continues endlessly debating the same thing day after day, and week after week, after parliament has decided it. I do not think that makes sense. It is against the rules of the house, and I ask for a ruling.

The Chairman: I think the hon. member is out of order, because he is referring to a previous debate; that is out of order.

Mr. Fulton: It is from the last session.

The Chairman: I am sorry, but the hon. member cannot review a debate which has already been decided. I cite Beauchesne, third edition, 245:

It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

Mr. Drew: Mr. Chairman, I think—

Mr. Fournier (Hull): I thought the chairman had given his ruling.

The Chairman: I have given my ruling, and it is not debatable.

Mr. Drew: A ruling may not be debatable, but if a ruling has been made in error, it is open to any member to point out the error that has been made.

Mr. Fournier (Hull): You can appeal the ruling.

Mr. Drew: Very well, Mr. Chairman, I appeal the ruling.

[Mr. Drew.]

Mr. Speaker resumed the chair and the chairman of the committee made the following report:

Mr. Macdonnell (Greenwood) was discussing the advisability of appointing a special committee to consider national defence estimates. I ruled the discussion out of order as reviving a debate already concluded.

Mr. Speaker put the question as follows:

Mr. Dion from the committee of supply reports that in the committee of supply Mr. Macdonnell (Greenwood) was discussing the advisability of appointing a special committee to consider national defence estimates. The chairman ruled the discussion out of order as reviving a debate already concluded. From this ruling the leader of the opposition appealed to the house.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division.

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Beaudoin
Blanchette
Blue
Boisvert
Boucher
Bourget
Bradette
Bradley
Brisson
Brown (Essex West)
Bruneau
Byrne
Campney
Carter
Claxton
Cloutier
Corry
Cote (Matapedia-Matane)
Cote (Verdun-LaSalle)
Cruickshank
Dewar
Dickey
Douglas
Dumas
Eyre
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Garson
Gibson
Gour (Russell)
Gregg
Harris (Grey-Bruce)
Harrison
Hellyer
Henderson
Hetland
Hosking
Huffman
Isnor
James
Jutras
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Gaspe)
Larson
Leger
Macdonald (Edmonton East)
MacDougall
MacKenzie
McCulloch
McIlraith
McLean (Huron-Perth)
Martin
Maybank
Mayhew
Mott
Murray (Cariboo)
Mutch
Pearson
Pouliot
Robinson
Rooney
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (Moose Mountain)
Stewart (Yorkton)
Stick
Studer
Thomson
Warren
Weaver
Welbourn
Whiteside
Winkler
Winters
Wood—84.

NAYS

Messrs:

Beyerstein
Blackmore
Brooks
Browne (St. John's West)
Bryce
Catherwood

Charlton	Macdonnell (Greenwood)
Drew	MacInnis
Ferguson	McGregor
Fulton	McLure
Green	Murphy
Harkness	Noseworthy
Herridge	Pearkes
Johnston	Quelch
Jones	Stanfield
Knight	Wright
Knowles	Wylie—29.
Lennard	

Mr. Ross (Souris): I was paired with the hon. member for Melville (Mr. Gardiner). Had I voted I would have voted aginst the ruling.

Mr. Cardiff: I was paired. Had I voted I would have voted against the chairman's ruling.

Mr. Speaker: I declare the chairman's ruling confirmed.

And the house having resumed in committee:

Mr. Macdonnell (Greenwood): Mr. Chairman, I am sorry for this interlude, when I thought I was getting on with the minister so well. I now begin again.

I wish to point out the situation as I see it. What we are now faced with is a situation where the only members who will be able to have a chance to form an opinion on these matters at first hand will be the minister, and anyone else with whom he chooses to take counsel—I presume his assistant, and possibly one or two others. The rest will have to form their opinions at second hand. Apparently they will have to judge what the experts say and think and feel entirely on what the minister tells them they say and think and feel.

I am not able to understand why this should be so. It does not make sense to me, at all. I would like to give an illustration from the business world. But first I would like to repeat a suggestion which has already come out, that although we may not have a committee on defence, which has been decided against, we could have the other different kind of committee to which the leader of the opposition referred, merely a committee to consider these accounts.

I wish now to give my illustration from the business world. I ask members to consider a situation where the general manager of a company—and I compare the minister to a general manager who, after all, holds a most dignified position—comes to his directors. I should think that in a sense the members of the House of Commons might be in the same position as the directors of the company. Then the general manager says that he proposes to embark the company upon very heavy expenditures in connection with very difficult and important matters of a highly technical nature. He shows no sign whatever of allowing any of the directors to form any opinion, or to form their own opinions from a direct contact with the experts.

Finally I would suppose that some of the directors might suggest that it would be very desirable to have a committee of the board, and it might be suggested that there were on the board men who had expert knowledge—indeed, perhaps some with greater knowledge than the general manager—on these particular technical matters. It is suggested that a committee be formed so that these men may make up their own minds from firsthand evidence and be in a position to advise their colleagues on the board.

I suggest that that is exactly what has been put to the minister, and what I am putting again. We will suppose the general manager refuses. He says no, it is better that he should see only these experts. I would ask hon. members to consider what would ever prompt a general manager to make such an answer as that. Would it be, perhaps, that he was afraid?

Mr. Claxton: Mr. Chairman, surely the hon. member has had enough experience in the House of Commons to know that he cannot do indirectly what he has failed to do directly. I suggest that the hon. member has been out of order in all his remarks since the last vote.

Mr. Macdonnell (Greenwood): Mr. Chairman, I submit that all I am doing is to suggest to hon. members an analogy with what we are being asked to do. I am suggesting to the minister that he might advise some way whereby we in this House of Commons could discharge our duty.

Mr. Claxton: I can answer that right now. By following the ordinary rules of parliament, the practice since this parliament has been in existence is to have the estimates discussed before the whole committee of parliament, as they have been tonight, and as they always have been.

Mr. Macdonnell (Greenwood): But surely I am entitled to point out that that procedure has disadvantages. That is all I am doing.

Mr. Claxton: Mr. Chairman, I ask that you rule the hon. member out of order, because he is suggesting some other procedure, which has already been voted on by this house within this week.

Mr. Drew: Is it out of order for anyone to discuss national defence at all? Apparently it must be.

The Chairman: It is out of order to discuss other matters in the committee.

Mr. Macdonnell (Greenwood): May I give this illustration, and may I suggest that I think there are certain disadvantages if we are forced to follow strictly the usual procedure. I am leaving it to the minister to say if he will advise a better method than I am offering at the present time.

The Chairman: We cannot discuss again the matter of a committee. It has been settled.

Mr. Macdonnell (Greenwood): Perhaps, Mr. Chairman, I have not made myself clear.

The Chairman: The hon. member must discuss the item before the committee.

Mr. Macdonnell (Greenwood): I am not discussing the matter of a committee. If you wish I will withdraw that suggestion. I am discussing the position in which we are being put if in this unusual situation we are forced to follow the ordinary practice. I am asking the minister if he cannot find some way of enabling us to have some direct means of forming our own opinions. The minister may say that he will bring the experts to the house; I do not know. Or perhaps there are other ways. I am not very experienced—

The Chairman: Order.

Mr. Claxton: Mr. Chairman, the house, when it was meeting, decided that the estimates of the Department of National Defence would be called, beginning with item 202, and that is the item under discussion. And I suggest that every word said by the hon. member for Greenwood is out of order. We are discussing item 202, and following items.

Mr. Macdonnell (Greenwood): I do not know much about the rules of this house.

Mr. Cruickshank: We realize that.

Mr. Macdonnell (Greenwood): There is one thing that is perfectly clear and that is that on the first item of any department there has been wide opportunity for discussion. I submit that the minister is entirely wrong in saying one has to be tied to any narrow compass. All I am asking the minister to do is to see if he can think of some way to enable us to be provided with some information. As I say, he may have some entirely different method that I have not thought of at all.

I am only putting this forward. I am only making a suggestion which I do not think he will want to have denied. We on this side of the house feel that we are being treated in a most unfair manner. That is all I am saying, and I should like to go on.

I should like to give this illustration from business. I have given you the situation

of a general manager who comes to his directors and asks them to form an opinion without their having an opportunity to see the experts. I say that that is a most undesirable situation. I say further that I have no doubt we have experts in this house and I hope that in some way which the minister may devise better than I it will be possible for those men to form their opinions through direct contacts and then let the rest of us have the benefit of their advice. I cannot for the life of me believe that when the minister thinks this over he will not desire to do that if he can. If he does not, all I can say is that he is not the man I thought he was.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): Let me take back those words and just say that I would have thought that the minister would be anxious to meet us to the extent of letting us arrive at an independent judgment on these important matters. That is all I am asking and I do not think it is unreasonable. There ought to be some way of doing it. I do not know whether it is good parliamentary procedure, but I do know it is common sense. I believe every voter in this country will say it is common sense.

I think I am stating the situation fairly, and the minister can correct me if I am not, when I say that the minister is proposing that no member of this house except perhaps himself and the parliamentary assistant, and maybe one or two members of the government, shall have any direct contact with the sources of information, that is to say, with the experts. If that is a fair statement, and the minister will correct me if I am wrong, then I just cannot believe that it makes common sense, or that the minister will want to stick to that.

Why should he not want people to talk with the experts? Is it because he has the same fear as the general manager?

Mr. Claxton: I have already raised this question and the hon. gentleman, for whom I have the greatest respect based on a friendship of 25 years, should know that he cannot get around the rules of this house in the way he is trying. He cannot raise this question again and again and again.

Mr. Drew: And again.

Mr. Claxton: This is a new method of dealing with the rules of the house and the estimates that are referred to the committee of the whole house on supply.

The Chairman: I think on item 202 we should not discuss the manner of discussing the item, we should discuss the item itself. Standing order 58 reads:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. Macdonnell (Greenwood): I am discussing item 202.

Mr. Cruickshank: No, you are not.

Mr. Macdonnell (Greenwood): Who is the chairman of this committee? I submit I am discussing item 202. I am asking the minister in all sincerity whether he can assist us in some way to form an independent judgment and not merely have to go back to our constituents and say, "We do not know anything about it; all we know is what the minister told us." As I say, that is not common sense. I cannot believe that it is impossible to find some better method of dealing with it. I submit that I am discussing item 202 in every sense of the word.

The Chairman: It may be common sense, but it is out of order.

Mr. Sinnott: On a question of privilege, the hon. member for Greenwood is not—

Mr. Macdonnell (Greenwood): Have we a new Speaker?

Mr. Sinnott: I am speaking on a question of privilege. The hon. member for Greenwood is not trying to discuss the situation; he is just telling the minister what to do.

Mr. Drew: Mr. Chairman, I think it is high time we understood exactly what the procedure is. You will recall that the last estimates that were brought before the house were those of the Department of External Affairs. In calling those estimates, just as in calling these, the long accepted practice was adopted of the minister making a statement. Following that statement, those who cared to follow in the debate did so. It was clearly understood, and understood from the moment the minister began to speak, that, when the debate on the statement made by the minister ended, the motion would then be dealt with to refer the items to a committee.

The procedure now before us is precisely the same. The minister has used, and properly used, the calling of these estimates before the committee as a means of making his statement on national defence. He has covered the whole ambit of national defence, far beyond this single item. The practice is clearly established that the debate then continues in relation to the speech of the minister, and when that debate is concluded the items are proceeded with item by item.

That was the procedure followed in the case of the Department of External Affairs. It was so clearly followed that we now have an adjourned motion in relation to those estimates which will be resumed at a later date, not to deal with the item itself but with the debate which was continuing in relation to the statement by the minister. That is what we are doing now and it would be a violation of long accepted practice to suggest that we depart from that at this moment.

Mr. Claxton: If I may speak on the point of order, I could not agree more with the leader of the opposition, because he has stated the position perfectly. I am completely in agreement with him except when we go on to discuss, as I submit the hon. member for Greenwood has been doing for some time, something which is in addition and which has been decided in this house by a vote this week. He is now getting to the point where he is wasting our time and where he is out of order.

Mr. Macdonnell (Greenwood): Apparently the minister has entirely misunderstood me. He thinks I am still talking about a committee. What I am doing—

Mr. Cruickshank: What are you doing?

Mr. Macdonnell (Greenwood): Oh, Fraser Valley again. What I am doing is merely to ask the minister for help. I am merely asking the minister to exercise some common sense where we can be sensibly within the rules. I have very little more to say, but I do want to go back to what I think is a most interesting point. I am sure the members of the house should all be interested. Why is it that the minister feels that none of us must talk to the experts?

Let me say quickly that we recognize that there are certain matters of security. Of course we do. We are not irresponsible. We know there are certain things that cannot be disclosed and we also know that those are the minister's responsibility. But I am asking why it is that nobody can talk to the experts. Is it because the minister, like my imaginary general manager, is afraid that the experts may say things that are different from what they have said to him?

Mr. Fournier (Hull): Mr. Chairman, perhaps my hon. friend is confused, but we have to follow the rules of the house. Standing order 57 reads:

> The house will appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

Mr. Knowles: Why bring that up?

Mr. Fournier (Hull): The first citation under that standing order reads:

The committee of supply controls the public expenditure by considering the grants of money that will be required by the government for the services of the year—

Mr. Macdonnell (Greenwood): That is just what I am talking about.

Mr. Cruickshank: What?

Mr. Fournier (Hull): It continues:

—upon the estimates of expenditure presented by the ministers of the crown.

My hon. friend knows that the estimates are considered in this committee, not elsewhere. You may suggest on going into supply that you do not like this rule. You may object to it, but once we are in committee of supply it is to consider these estimates.

Mr. Macdonnell (Greenwood): That is right.

Mr. Fournier (Hull): What you are suggesting is that we should bring along officials of the Department of National Defence so that you can personally cross-examine them.

Mr. Macdonnell (Greenwood): Only if the committee approves it.

Mr. Fournier (Hull): Just one second; be patient. The rules of the house say that the minister is responsible for these estimates, and the government also.

Mr. Macdonnell (Greenwood): I said that too.

Mr. Fournier (Hull): He is the one who will answer any question that is put to him. He is advised by officials of his department, by chiefs of staff and so forth. Nothing in the rules says that members of parliament are going to call before the committee of supply—

Mr. Macdonnell (Greenwood): Nothing says they cannot.

Mr. Fournier (Hull): Would you just listen patiently?

Mr. Macdonnell (Greenwood): You are taking up all the time.

Mr. Fournier (Hull): The hon. gentleman would want to have these officials here and question them because he says he is not too sure that the minister is right in what he is saying.

Mr. Macdonnell (Greenwood): Well—

Mr. Fournier (Hull): Now we will change the procedure; we will take the minister away and you will have your dealings with officials of the department or chiefs of staff.

Mr. Macdonnell (Greenwood): No, Mr. Chairman.

[Mr. Knowles.]

Mr. Fournier (Hull): I am only trying to explain the rules.

Mr. Cruickshank: He would not understand them.

Mr. Fournier (Hull): He will after a while. You have the minister at your disposal. You may agree or disagree with him, but when we are in committee of supply you cannot change the rules and the methods by which the estimates are considered at this stage.

Mr. Macdonnell (Greenwood): Mr. Chairman, I just ask the Minister of Public Works this question. Suppose the Minister of National Defence wanted to bring somebody in here. It has been done before in wartime. Let me repeat that I do not think the minister listened to me as carefully as I wish he had.

Mr. Claxton: Never done.

Mr. Macdonnell (Greenwood): I want to bring up the point that we are now left in the position where no one except the minister can see these experts. I want to raise that point, and that is my last point. I cannot see any reason why it should not be done, and I hope when the minister thinks it over he will not feel it is desirable to pull down the blinds and keep out the light.

Mr. Henderson: Mr. Chairman, it is my privilege tonight to say a few words as to defence and the armed forces of Canada on these estimates. I think it is most appropriate that I, as the member for Kingston City, should have a few words to say as to this matter. I wish to say that I consider it a great honour to represent Kingston City not only because of its historical, educational and military background but also because it was once represented by the late Hon. Norman Rogers, who was formerly minister of national defence. I think it is fitting at this time that I should pay a tribute to this man because time does not lessen a tribute paid to so great a statesman.

It is also fitting that I should direct the attention of the house to the Royal Military College at Kingston. The Royal Military College is not exactly within the confines of my constituency, but just beyond the boundary thereof. I should also like to say that it is not the only military establishment in the city of Kingston and vicinity, a fact of which many hon. members are well aware. At this time I wish to direct the attention of the house particularly to the Royal Military College in order that hon. members may be aware of its activities and the good that it is doing in the building of Canada as a nation. I also wish to direct attention to a statement of the hon. member for Middlesex East to be found at page 90 of *Hansard* of the 21st of February of this year. He said that he considers the

education of officers at the Royal Military College at Kingston as a waste, and that we might better train officers in the C.O.T.C. at universities. It is not my intention to make any personal attack on the hon. member for Middlesex East because I am quite sure that he was sincere and earnest in his remarks. He was directing attention to expenditures which he considered exorbitant in the education of young officers at the Royal Military College. He expressed the view that they could be trained elsewhere.

To understand fully the activities of the Royal Military College I think it is necessary to make a slight review of its history and the activities which are carried on there for which our money is being spent. It was brought into being in 1876 and is the oldest military school in Canada. I may say that in past years a number of its graduates were among the first presidents of the engineering institute. It is also a point of history that the stone frigate which was built in 1820 is still used, and is one of the main buildings at the Royal Military College.

Geographically the college is situated on a projection of land which ends in Point Frederick. On the east is Navy bay and on the west the Cataraqui river. The college is also blessed with many fine limestone buildings which at the present time are being extended. There is a dormitory now under construction for the accommodation of cadets who are being trained at the college to be officers. We must consider the military and educational role that the Royal Military College has played in making a nation of Canada. I might mention to the house that a large number of ex-cadets of the college have died on active service. Many of them have risen high in our present defence organizations. Up to last year there were only 2,032 graduates of Royal Military College since its opening in 1876 and 272 ex-cadets have died on active service. The proportion of its graduates killed on active service is greater than in any other Canadian university.

I think it is also significant to point out that between 85 and 90 per cent of the ex-cadets of military age were on active service during world war I and world war II. It has produced renowned and successful leaders, which is borne out by the fact that of the relatively small number of graduates it has produced three generals, nine lieutenant-generals and forty-six major-generals.

We should also consider the use to which the Royal Military College was put during the war. There was very little maintenance carried on during that time and we should consider what it is necessary to do now. It ceased to operate early in the war and was used for officer training for special courses. I am sure many hon. members of the house attended them. It reopened in September, 1948, and it is significant to note that it reopened as a joint services college. The courses are designed to train officer cadets for the active and reserve forces of the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force. I might say at this point, with reference to the expenditure on the training of officers in Canada, there is also the Royal Roads college which has a two-year course. The distinction is that the Royal Military College of Kingston has a four-year course. With the exception of the final year, this college has no summer term. Each year consists of eleven months of instruction, and the year is divided into three terms, fall, winter and summer.

During the fall and winter terms 85 per cent of the instruction is on academic subjects and the remainder on service topics, including physical training. The summer term is devoted entirely to practical service training at the various armed forces establishments, and with different units to which a cadet may be attached during the summer in order to get what we might call his practical training in the services. This summer term of practical training must be taken by all cadets who successfully complete the fall and winter terms, and commences in May, continuing until late in August. In this term the cadets follow courses of practical military training in their own service, whatever it may be. The pay for the cadet during the summer term amounts to $153 per month plus board, lodging and clothing.

Naval cadets are appointed to the naval reserve with the rank of cadet. Studies include instruction in navigation, seamanship, engineering, communication, gunnery and other subjects. The practical aspects of the naval instruction are emphasized in the four to six weeks they spend at sea during the summer on board ships of the Royal Canadian Navy.

Army cadets are enrolled in the C.O.T.C. and are given the status of second lieutenants during training. Officer cadets receive training in the branch of the army in which they will be commissioned. Training is conducted at the various schools under a progressive syllabus during the three years of summer training. On completion of the three years of the C.O.T.C. program an officer cadet is qualified as a lieutenant in the active force or as a captain in the reserve force if he so chooses, which I will speak about later.

Air force cadets are appointed to the R.C.A.F. supplementary reserve class "F", with the rank of cadet. They receive flying

training as pilots, navigation officers or radio officers during the three years of summer training before graduation from college; and on completion of their course are awarded their wings and join whatever branch of the air force they may prefer.

I wish now for a moment to deal with the details of these courses which these young men receive. The first two years are the same at both Royal Military College and Royal Roads. The third and fourth years of a general or engineering course are taken at R.M.C., with specialization starting in the third year. Four to five hours a week in all courses are devoted to physical training and service subjects. I think this is significant. We must realize that if these cadets who take their third and fourth years at R.M.C. are to be properly trained in engineering, there must be reasonable capital expenditures as far as laboratories are concerned.

It will have been noted that since the beginning of the year Canadian newspapers and magazines have been carrying advertisements with respect to enlistment at R.M.C. We as Canadians cannot but feel proud of the Royal Military College because of the democratic way in which the cadets are chosen. The requirements for admission are high, but the procedure is democratic. A candidate to become a cadet must be a Canadian citizen or other British subject normally resident in Canada. Candidates must have reached their sixteenth year but not their twentieth birthday on the first day of January preceding entry. Naval applicants, except in the case of candidates from French classical colleges, must not have reached their nineteenth birthday on January 1. A high standard of physical fitness is required of all candidates, and I am sure we will all agree this is very necessary for anyone about to enter His Majesty's service. The examinations are held at convenient centres by boards consisting of service medical officers. Candidates are also required to appear before a regional board of service officers and college officials for a personal interview. Both medical examinations and personal interviews take place each year about the first week of July. I think we might condense it by saying that any boy, no matter who he is, providing he is physically fit and has a sufficiently high academic standing, may be admitted as a cadet at R.M.C. Half the candidates are selected under a provincial quota determined by population, while the remainder are selected in open competition. In both cases selection is based upon the academic standing and the recommendation of the service board as to the physical and personal characteristics of candidates. Later I will discuss the matter of the fees which the candidates must pay the receiver general. I am quite sure that hon. members will agree that they are sufficiently low that almost any lad who can qualify as to physical fitness and academic standing may become a cadet at R.M.C.

Before any member of this house or any Canadian citizen attacks the expenditures being made by the Canadian people to maintain the Royal Military College, that person should carefully weigh the advantages of this college to Canada as a whole. They should also make a comparison with other forms of military education such as the C.O.T.C. which, it is granted, does an excellent job at the universities, where education in arts, letters and sciences is predominant. At R.M.C. cadets receive an education in arts, letters and sciences and a military education, with none of these being stressed at the expense of the others.

I should like to review briefly the role of R.M.C. It is a military educational establishment maintained primarily for the training of cadets for entry into the commissioned ranks of His Majesty's service. It has the educational status of a university college, and is a full member of the national conference of Canadian universities. It is one of the three sources for the production of officers for our armed forces in Canada; and in considering the Royal Military College I think it important to remember that it does not depend upon quantity but rather upon the quality of its products. I believe we should pay attention to the fact that it sets a standard pattern which serves as a yardstick for the various officer production schemes we have in Canada.

The unification of the services is one of the latest developments in military science. In this development R.M.C., in its training of cadets for all armed services, plays a key part. It is appropriate this week that I should speak about R.M.C. and its importance in the national life of Canada, because a week ago tonight the West Point hockey team motored to Kingston to play the annual hockey game with the cadets of R.M.C. It is regretted, but shows signs of good sportsmanship, that those boys came up here with the idea of winning their fourth straight hockey game over R.M.C. I must say they did very well this time, as the minister stated the other day, but West Point were repelled by R.M.C. by a score of 6 to 4.

By way of deviation, may I stress the importance of the hockey game between West Point and R.M.C. These boys came from the United States to play against R.M.C. They spent the week end with our cadets, dined with them, were shown around the buildings, went on parade with them, and went to church with them. We in Canada

should feel grateful we have a college of that nature, because here we find friendships being established between the future generals, admirals, and air marshals of these two great American countries. Regardless of who won the game, I am sure that both countries will be better off in the future, owing to this intermingling of our defence leaders of tomorrow.

If we are to fully appreciate the value of R.M.C., one must look at least 50 years into the future of Canada. No one knows what lies in store for Canada, and what troubles are ahead. We do know that between world wars I and II there appeared in our universities an almost complete lack of military training, and such periods will likely return. Therefore, we should be congratulated on having two military colleges.

The Royal Military College has a large investment in buildings, starting with a stone frigate in 1820. It also has an extremely capable staff of civil servants, backed by a powerful alumni who, after leaving college, take an active part in defence developments in Canada. They are also interested in the service training in Canada, and I believe are always available for their suggestions. There is another role which R.M.C. plays in the national life of Canada. It helps to weld together the English and French-speaking Canadians. French is a compulsory subject at R.M.C., and the college attracts a good percentage of French-speaking cadets. I believe statistics show that last year around 15 per cent of the cadets were French-speaking, and it is expected that this proportion will increase with time.

Prior to this last war we often heard that if there were a world war II it would be a war of great scientific proportions. Towards the end of world war II we learned of the atom bomb. Now we are speaking of the H-bomb. If there is a world war III it will call for a greater number of scientifically trained officers than world war II. Every dollar spent on capital equipment for R.M.C. in peacetime increases our war potential. It could be compared to the British Military College of Science, a unit with a highly qualified technical staff whose teaching and research facilities, on very short notice, could undertake the training of a large number of technical officers for the services. R.M.C. is like the military college of science, in that it trains officers for the technical corps and the army, but R.M.C. differs in that it does the same for the navy and the air force. In so far as research is concerned, R.M.C. and the military college of science are parallel.

There is no more important investment that Canada could make in peacetime than the education of an officer, no matter what service he chooses to enter. Such an officer corps undoubtedly becomes the nucleus of our forces in wartime. When we compare the cost we might say, by way of comparison, that one jet fighter and its accessories would buy the equipment for all the laboratories at R.M.C., and maintain them for a period of 10 years. At this particular time in our history, the value to the services of the engineering graduates trained on this equipment, over a period of 20 years, would certainly be greater than the value obtained from one jet fighter, which might either be destroyed or become obsolete in a few years.

It is important, both in Canada and in the United States, that there be a means of introducing into our universities compulsory physical discipline and training, in order that we can make our young men physically, mentally and spiritually fit. R.M.C. is one of the few educational establishments on a military and university level which fulfils this role. The quality of officers produced at the service college will depend, in the long run, on the quality of the staff and cadets that can be attracted to the college. Unless both the staff and cadets are of high calibre, there is no way of producing a product of the high calibre required to form the nucleus of our wartime army or to lead our peacetime army. Upon admission to R.M.C. or Royal Roads, each officer cadet must undertake, upon graduation, to serve as a commissioned officer in one of the three services, either in the active or in the reserve force.

A brilliant young cadet, keen to make a reputation in civilian life, plays an important role in the well-being of R.M.C. He acts as a leader and pace-setter while at R.M.C., and builds up the prestige of the college in civilian life. Experience shows that this type of graduate finds time to serve with distinction in the reserve force in whatever part of Canada he may choose to reside. Again, this contributes to the standardization of our training.

I have mentioned previously that Kingston is an educational city. I am sure you are all aware that Queen's university is located there, and I know that many graduates of Queen's are on the floor of this house. But Queen's plays a greater part than merely being an educational institution. It is a most important factor in making R.M.C. an attractive seat of learning. It is significant to note that the faculty at R.M.C. takes an active part in all the activities at Queen's. Last year five of the R.M.C. staff lectured at Queen's, and several members of the Queen's staff lectured at R.M.C. It must be realized, though, that such an association will last only as long as R.M.C. contributes its share of instructors equal in professional status to the instructors

at Queen's. I think it is most important, therefore, that the staff at R.M.C. be as well qualified as the staff at Queen's, or equivalent universities, in order that we may maintain a high standard of training for our officer cadets. If the staff at R.M.C. is to be as good as at other universities, it is only natural that those in charge at R.M.C. must be prepared to pay an equivalent salary. I understand the staff members of this military college are not allowed to take consulting work in the summer, but are retained in research or training in summer courses.

Canada has traditionally based her defence on a nucleus force built up in peacetime. We are also dependent upon voluntary enlistment. I think it is to the advantage of the defence of Canada that our nucleus force, either active or reserve, has available as officers those trained in a standard pattern, which makes the unification of the services easier. The member for Middlesex East (Mr. White) has stated in substance that it would be better to train officers in the C.O.T.C., at a cost of $500 per cadet, than by operating R.M.C. at a cost of $30,000 per officer. I think, before we can accept his view, we should review the cost to the government of training a cadet at R.M.C. According to the information which I have obtained, there are at present 170 cadets attending that college. You will recall that it only reopened in the fall of 1948, and it was estimated that for the next four years there would be 100 entrants in each class. The plan therefore would be to accommodate 400 cadets who, it is estimated, will be in attendance in the year 1951. The full cost of operating R.M.C. at full strength would be in the neighbourhood of $1 million per year, exclusive of capital costs. If the fees which are paid to the receiver general, and of which I will speak later, are deducted plus a reasonable deduction for the use of equipment, staff and other facilities of R.M.C. by the services, defence research boards and other government departments during the three and a half months in the summer when the college is free of cadets, we therefore could estimate the cost of training the 400 cadets at $740,000. The cost per cadet per annum therefore would be in the neighbourhood of $1,850.

In the brief submitted to the royal commission on national development in the arts, letters and sciences, dated July, 1949, it is pointed out that the cost of training a medical student in Canada is approximately $1,200 per year. When the cost of medical research and maintenance of medical research is considered, which is important, the cost of training this medical student would be $1,600 per year. Of this total annual cost, I think we will find from that report that the student pays 25 per cent. Therefore I think that this sum of $1,600 for training of a medical student should be borne in mind in the consideration of the training of a cadet at R.M.C. As I have said, the training of the cadet can be estimated at $1,850 per year per cadet; but at R.M.C. it is necessary for the cadets to live in dormitories in order that they have the advantages of a military mess. In other words, it is a military unit in order to train them as young officers. This part of their training normally should cost in the neighbourhood of $550 per year. When this is deducted from the $1,850, we get a figure of $1,300 per year per cadet. We should also consider during that period of time—those eight and a half months when they are taking training there—the staff is also carrying on research to the benefit of the defence research board.

Let us now consider the fees which are paid by cadets attending R.M.C. There is an annual tuition fee of $100 payable in advance, and in addition a charge to cover the partial cost of room, uniforms, laundry, books, etc., of $450 per cadet in the first year and $200 in the subsequent years. There is another $30 which is the normal athletic fee paid at other universities. Therefore, to sum it up, each cadet pays to the receiver general in his first year $580 and in his subsequent years the sum of $330. It is also to be noted that he receives transportation costs of $25 once a year from his home to the college.

I am sure that the hon. member for Middlesex East cannot say that the expenditures entailed in educating a cadet at R.M.C. are exorbitant. I agree with him that there have been large capital expenditures this year owing to the preparation of laboratories for 300 to 400 students in the year 1951; but I think it is proper to assume that these capital expenditures will not go up, and such expenditures made in peacetime are war potentials for the future. We must also bear in mind that during wartime R.M.C. was used for officer training and its laboratories and equipment were put to use by the officers trained there; and I doubt very much if there was much time for maintenance in those days. If we did not have R.M.C. or if we did not have a college for training our officers, as has been suggested, I think that we would be unique among the leading countries of the world, because most countries have their officer training schools. The United States has West Point, England has Sandhurst and the Military College of Science and Belgium has its Military Academy. I think it is also significant to compare the establishment of the total staff of R.M.C., including cleaners and cooks, up to strength, and students; I think we shall find that the ratio is ·7 of staff to 1 of

the cadets, which is about one-half of the figure for West Point and much less than that for Sandhurst. The pre-war figures at R.M.C. were ·85 to 1. We shall therefore be running a post-war R.M.C. with a smaller comparative staff per cadet; and from what I can find out, R.M.C. is being operated at the present time at the lowest staff-student ratio of any military college.

It may also be of interest for the committee to know that during last summer, which was the first summer of vacation since R.M.C. reopened in 1948, an all arms course was carried on by the army at R.M.C. This, I understand, was mostly for students who had three years C.O.T.C., and who spent their fourth summer, for final training, in the college grounds. I might say that we must always bear in mind that this is one way to train our officers in which we can have one standard and have unification of the services.

I also wish to make a short remark with respect to a report in the Winnipeg *Free Press* of March 4, 1950, of a speech made by the hon. member for Middlesex East in which he states that, as he saw it, the R.M.C. is merely creating and nurturing a military caste in Canada, that it might better be closed and the training of army officers turned over to the universities. As one who resides in Kingston, I wish to say that I have many friends and neighbours there who are graduates of R.M.C. and are connected with it. There are many other such persons in the city. I doubt whether there is a larger group or aggregation of cadets and staff of a military institution in any other place in Canada; and I have not found these gentlemen to be as described, a caste separate and distinct from other people or other citizens. They seem to be successful, to take an interest in civil life and to retain a keen interest in army affairs. I might say that they are a benefit to any community, whether in the active army or civilians in the reserve force, or retired. They are also among the best of citizens and are a great contribution to the backbone of any community.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Monday being private members' day, we shall follow the order of business set out in standing order No. 15.

Mr. Knowles: Pipe lines.

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

HOUSE OF COMMONS

Monday, March 20, 1950

The house met at three o'clock.

THE BUDGET

ANNOUNCEMENT OF PRESENTATION ON TUESDAY, MARCH 28

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, barring developments which I do not now expect, I would propose to bring down my budget next Tuesday night, March 28. I would hope that I might be able to get the unanimous consent of the house to do so at eight o'clock. Perhaps it might be arranged to have private and public bills, which is normally the first order of business at eight o'clock on Tuesdays at this stage of the session, follow my remarks and the brief ones of the opposition financial critic.

VACANCY

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Electoral district of Broadview

Dominion of Canada, To wit } House of Commons

To the Honourable the Speaker of the House of Commons:

We, the undersigned, hereby give notice that a vacancy has occurred in the representation in the House of Commons, for the electoral district of Broadview, due to the decease of the former member, Thomas Langton Church.

Given under our hands and seals, at Ottawa, this 20th day of March, A.D. 1950.

J. W. Noseworthy,
Member for the electoral district of York South

Stanley H. Knowles,
Member for the electoral district of Winnipeg North Centre

Accordingly I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

HOUSE OF COMMONS

BUSINESS OF THE HOUSE

Mr. Speaker: Just before coming into the house I saw a copy of *Routine Proceedings and Orders of the Day.* At the top of page 3 the order of precedence is private bills, Senate amendments to public bills, etc. Further down the page is the heading, "Orders of the day". I think the usual procedure is to call private bills before calling orders of the day. Therefore I now call private bills.

EASTER ADJOURNMENT

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, because of the order of business to be followed today I would ask you to permit me to direct a question to the government which I believe is of particular concern to hon. members who live some distance away from Ottawa.

Several days ago a question was directed to the Prime Minister (Mr. St. Laurent) as to the date on which it is intended that the house shall rise for the Easter recess. At that time the Prime Minister indicated he would give instructions that the whips of the parties be brought together for the purpose of discussing the matter. Time is passing. It is obviously a matter of great importance to all members to be able to make their arrangements for the Easter holidays and secure the necessary travel reservations. Good Friday is only two weeks from next Friday, and the time is short within which members can make reservations. No matter what the length of the recess may be, I suggest to the government that this is a fairly obvious consideration which should be borne in mind.

Unless there are any matters of overriding urgency, I am sure that members would prefer to spend holy week in their own homes, because it is a week which is of great importance to most of them. Therefore I would ask the government to give an indication as to the date on which the house will rise for the Easter recess. No steps have been taken to bring the whips together; obviously, therefore, it becomes a matter for decision by the government.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in discussing the subject the Prime Minister indicated the other day that the government had in mind adjournment on the Thursday evening before Good Friday and the reassembling of the house on the Monday after the week that follows Easter Sunday. I have heard no objection to that proposal, and I assume there is no change in view.

Mr. Wylie: In that event we shall not get home until Sunday morning; some members will not get home until Monday.

Mr. Howe: The Prime Minister will be in his seat tomorrow, and I will ask him either to confirm or to vary what I have said. In the meantime I think hon. members can make their plans accordingly.

Mr. Drew: I do not want to enter into a lengthy debate, but I should like to point out that there has been no discussion. It is stated that there has been no objection. There may be none within the ranks of the government, but we were unaware, aside from rumours which may have been reported to us, that the date mentioned was suggested. I repeat that it would be much more appropriate for holy week to be taken as a holiday, and for members to return immediately after Easter, than to take the following week.

Mr. Knowles: Since the Minister of Trade and Commerce has said that there has been no objection to what the Prime Minister announced, I should like to point out, for the purpose of the record, that the Prime Minister said that the views of the other parties would be ascertained from the opposition whips, and I have written to the government whip indicating our views in the matter.

Mr. Howe: Perhaps the matter can be left in abeyance until tomorrow. I am sure the Prime Minister will endeavour to clarify the situation.

Mr. Low: I should like to ask the minister to convey to the Prime Minister our desire that the matter be reconsidered in the light of what has been said. We would prefer to have the house adjourn earlier so that our members can reach western Canada before Sunday.

Mr. Knowles: That was our request.

INCOME TAX

APPEAL BOARD—JUDGMENT IN CASE OF "MR. C." AND THE MINISTER OF NATIONAL REVENUE

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, on a question of privilege I should like to refer to the judgment of the income tax appeal board in the case of "Mr. C." and the Minister of National Revenue, and make a request in connection therewith. Will the minister consider tabling the judgment, evidence and reasons for judgment involved in the order of the appeal board?

Hon. J. J. McCann (Minister of National Revenue): I shall look into the matter, and after I have reviewed the question more carefully I shall be able to give an answer.

FARMERS—PROSECUTIONS—REFERENCE TO ANSWER TO QUESTION ASKED ON MARCH 16

Hon. J. J. McCann (Minister of National Revenue): On a question of privilege, I should like to refer to a question asked by the hon. member for Moose Jaw (Mr. Thatcher), to be found at page 849 of *Hansard* for March 17. It had to do with prosecutions of farmers under the Income Tax Act.

The information which was given to the press was that during the period from January 1 to March 6, 1950, 1,953 summonses were issued for failure to file returns. These summonses covered all types of taxpayers, and this fact was so reported in most newspapers. I reiterate that it is not practicable to break down the figures by occupational groups. I should also like to state that the Winnipeg *Free Press*, if it published a report, as was stated by the hon. member for Moose Jaw, to the effect that 1,953 farmers were prosecuted, was in error in so doing.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Tuesday, March 14, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in my remarks on Tuesday last I outlined the two alternate routes for a pipe line from Alberta to the Pacific coast. One was the route which is proposed to be followed by this company, running from southern Alberta into southern British Columbia and then into the United States at the nearest point. The other was through the Yellowhead pass and down through central British Columbia, serving Canada first and then going on to the United States. I also spoke of public opinion in British Columbia favouring the Canada-first route. Further proof that I was correct in those statements is given in a resolution adopted unanimously by the legislature of British Columbia last Thursday. I will not read the recitals to that resolution, but the final paragraph was as follows:

> Therefore be it resolved that the legislative assembly of the province of British Columbia urge upon the federal and provincial authorities concerned the advisability, in the interests not only of British Columbia but of Canada as well, that such pipe lines be constructed through the Yellowhead pass and thence through the interior of British Columbia to Vancouver, with provision for the extension of the line to the Peace river block, so that when sufficient supplies of petroleum and natural gas are available in that area there will be an available outlet to market without unnecessary delay.

Mr. Murray (Cariboo): May I ask the hon. gentleman if the resolution of the British Columbia legislature opposes the bill now before this house?

Mr. Green: The resolution advocates the Canada-first route through the Yellowhead

pass. That resolution was moved by the member for Peace River, part of which is in the constituency of the hon. member who asked the question; and the one riding in British Columbia which would gain the most by the Yellowhead route would be the riding of the hon. member for Cariboo.

Mr. Murray (Cariboo): I would like an answer to my question.

Mr. Green: The hon. member may make his own speech. I am not answering any more of his questions.

Mr. Speaker: Order. I would inform the hon. member that questions may only be asked with the consent of the hon. member who has the floor.

Mr. Murray (Cariboo): It was an honest question, and I should like an answer.

Mr. Speaker: Order.

Mr. Green: I have here a press dispatch of the following day from Vancouver, headed "Victoria unanimous on B.C. gas pipe line". The dispatch goes on to say:

> The house got on its collective high horse Thursday. Party lines were forgotten as M.L.A.'s unanimously went on record for a gas pipe line from Alberta through B.C. to the Pacific coast.
>
> They feared that if they didn't do something, the U.S. would beat us . . .
>
> Even the public galleries grew enthusiastic. One after another, M.L.A.'s hopped up to say why, of course, the line should be in B.C.
>
> Opposition leader Winch said the C.C.F., too, wants the line in B.C. He urged the house to speak in a united voice for B.C. first, because there's a very powerful New York voice in the House of Commons . . .
>
> Everyone agreed pressure should be put on Ottawa to have the line in B.C. The resolution went through with flying colours and everyone thumped desks.

It will be rather interesting to see the attitude of British Columbia Liberals in this house—interesting to see whether their fear of their constituents will overcome their fear of the Minister of Trade and Commerce (Mr. Howe).

Then I pointed out that no company had a prior right to this route. The Alberta Natural Gas Company could choose the Yellowhead route too, or any other route which served Canada first; and if they should do so there would be no objection in this house.

The suggestion has been made that the question of the route is none of our business. In moving second reading of this bill the hon. member for Winnipeg South Centre (Mr. Maybank) made no attempt whatever to explain the route. Asked where the line was to run, he replied, "I don't know"; and he said it in such a way that one could only take from his remarks that he had no intention of giving the house that information. We have been told that the granting of a charter should be automatic, that parliament has no duty other than to grant it. We are told that questions of policy must be left to the board of transport commissioners, to the Alberta natural gas and petroleum conservation board, and finally to the Minister of Trade and Commerce.

Well, I suggest that the board of transport commissioners will never take the responsibility of deciding that the route must serve Canada first. There is no hint given in the legislation that such is government policy. How is that board supposed to know that it must decide whether or not the route is to serve Canada first? Besides, the board of transport commissioners have plenty of trouble of their own just now trying to straighten out the freight rates mess. So far they have not been very successful in solving that problem, and they are most unlikely to be successful in solving the pipe-line problem.

As for the Alberta natural gas and petroleum conservation board, surely its responsibility is to decide whether there is gas to be sold. It is not the responsibility of that board to decide which way it shall go from the province. As for the Minister of Trade and Commerce, he has made his attitude abundantly clear. He calls those of us who advocate that the resources of Canada should be used first for the Canadian people "little Canadians." That is the way he describes anyone who advocates serving Canada first. The other day he was asked a prepared question by the hon. member for Yorkton (Mr. Stewart), and brought in a very carefully prepared answer which said—

Mr. Howe: I just want to say I had no knowledge that any question was going to be asked, and I had no prepared answer.

Mr. Green: It is a funny thing that the minister should have read from a typed statement when giving his answer. Someone in his office knew all about it, in any event. The following day the hon. member for Fraser Valley (Mr. Cruickshank) asked, at page 850 of *Hansard*:

> Am I to understand from that statement that no export permit will be granted other than through an all-Canadian route?

The minister did not answer; he made a number of evasive statements which did not have a thing to do with the question, and gave the hon. member for Fraser Valley no reply whatever. It is obvious that his policy on this question is the same as the policy of the United States oil and gas interests. We do not expect, therefore, very much help from the Minister of Trade and Commerce in seeing that this pipe line goes through British Columbia before going to the United States.

This house has a duty to perform on this question, Mr. Speaker. If the members believe that the route to the Pacific should serve Canadians first, then they can easily force this company, as well as the second company for which application is made, to promise to build this route accordingly. In fact this parliament could write a stipulation to that effect into each bill. Certainly the record of the applicants for incorporation of this particular company is such that we know the Alberta Natural Gas Company will not serve British Columbia first unless it is compelled to do so.

Mr. Stewart (Yorkton): May I ask the hon. member a question?

Mr. Speaker: I must point out it is only with the consent of the hon. member who has the floor that questions may be asked.

Mr. Green: If you will not be too strict about my time, sir, I shall be glad to answer the question.

Mr. Stewart (Yorkton): When the other pipe line bills were before the house in April of last year, did the hon. member insist upon the insertion of a restriction such as he advocates for this bill?

Mr. Green: If the hon. member will read the speech I made on the main pipe-line bill, I believe he will find I advocated that Canadians should be served first; that has been our stand throughout.

Mr. Stewart (Yorkton): You never moved any amendment to the bill.

Mr. Green: The charter bills are in the shape they are because that was the policy of the Minister of Trade and Commerce.

Mr. Howe: On a question of privilege, Mr. Speaker, my hon. friend has made a statement about me; so may I say that the Minister of Trade and Commerce had absolutely nothing to do with those charters. There was no reason why he should.

Mr. Knowles: You drafted the over-all bills.

Mr. Green: They were at least approved by the cabinet. I may have named the wrong minister.

Mr. Howe: No; approved by the law clerk of the House of Commons.

Mr. Green: The development of British Columbia has been a long, hard struggle, made possible largely by the determination, courage, and foresight of our pioneer parents. The people of that province have been in direct competition with our neighbours in Idaho, Washington, and Oregon. They have been at a disadvantage as compared with those good folk south of the line. For one thing, there are far more people in those three states than there are in British Columbia. The producers in those three states have a larger home market. There is far more arable land there than there is in British Columbia, and the produce matures much earlier. If this company's plan is followed and natural gas, and then oil, go by the United States route, British Columbia will be further handicapped. She will be handicapped because Canadian resources are allowed to go to the United States first.

If this house grants the application for incorporation, it is in fact betraying the people of British Columbia. I am in deadly earnest when I say that. I am convinced it is in the best interests not only of British Columbia but of Canada that this bill should be defeated.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker—

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, it seems to me—

Mr. Speaker: The leader of the opposition.

Mr. Drew: I have no desire to speak first, Mr. Speaker, if the hon. member for Skeena wishes to go ahead.

Mr. Applewhaite: I thank the leader of the opposition for his courtesy, and I trust that nothing I have to say will make him regret his decision.

It seems to me that I have heard over and over again what amounts to the same speech in these debates; I have lost count of how many times or by how many hon. members the speech has been made. In fact I have the impression that I have heard what amounts to the same speech from the same hon. member on more than one occasion. These two bills have been before us now for nearly a month, and we had two somewhat similar bills before us for the most of last session. We have listened to a lot of words about them, but we have learned very little that is new. I think all hon. members will admit that these speeches have been more notable for their vague generalities and their hysterics than they have been for their facts or logical arguments.

There is evidence now that this hysterical, illogical and incorrect thinking is spreading beyond this chamber to other parts of the country. I refer particularly to parts of British Columbia. Whether that is being encouraged and fostered by the friends of those who already have a charter, I am unable to say. It has been said before, but I am going to repeat it, that this bill we are discussing does nothing except bring into being a legal entity, a corporation or company

which can be born in no other way. Those who object to the granting of the charter, that is, to the birth of this company, have only one real argument. It amounts to this: Do not bring this company into the world; it might not do what we think is right. It would be just as logical to pass a law against having children, because they might not be amenable to the line of reasoning of my hon. friend. That may sound absurd, but it is no more absurd than some of the speeches to which we have listened.

Ostensibly the opposition to this bill arises out of the route of the pipe line, the construction of which this bill envisages. Those who oppose the bill claim to do so because they say they fear, perhaps with some reason, that this company might not build from Alberta to the Pacific coast by a Canadian route. As a matter of fact the bill does not say the pipe line will go to the Pacific coast, so it might be questionable whether that subject is before us. The responsibility for the route of that pipe line is not the responsibility of this House of Commons, as the law says today.

The Pipe Lines Act, sections 11(a) and (b), says:

> A company shall not, except as in this act otherwise provided, begin the construction of a section or part of a company pipe line, until,
>
> (a) The board has by order granted the company leave to construct the line;
>
> (b) The plan, profile and book of reference of the section or part of the proposed line have been approved by the board.

Section 12(1) reads as follows:

> (1) Upon an application for an order granting leave to construct a line, the company shall file with the board a map showing the general location of the proposed line, the termini, and all cities, towns, villages, railways and navigable waters through, under or across which the line is to pass.

To protect provincial rights and interests, section 12(2) says:

> (2) The company shall file a copy of the application and of the map with the attorney general of each province to which the application relates in whole or in part . . .

Section 12(3) reads as follows:

> (3) Upon the application, the board shall have regard to all considerations that appear to it to be relevant and in particular to the objection of any party interested . . .

That is the law today, that the board of transport commissioners shall decide the question of a route. Is it a wise provision? The hon. member who preceded me evidently thought so. When he was speaking on the general bill on April 8, 1949, as recorded at page 2513 of *Hansard* he said:

> The minister has already pointed out that the board of transport commissioners is to be made supreme in administering this act. That is a wise plan, because the board of transport commissioners is a judicial body, and it is wiser to put them in control rather than have the control placed directly in the hands of a department of government. But the minister said nothing at all about the interest of the provinces in these pipe lines. I believe that the provinces of Canada, certainly the province of Alberta, are vitally interested in this legislation. I am afraid that the legislation will not work out as it is meant to unless there is the utmost co-operation with the provincial authorities.

Mr. Sinnott: Who said that?

Mr. Applewhaite: The hon. member for Vancouver-Quadra (Mr. Green). In order to set hon. members worries straight as to the views of the province of Alberta, I should like again to place on the record a paragraph from the telegram from Premier E. C. Manning, who, I assume, speaks for Alberta, in which he said:

> The Alberta government is not opposed to the incorporation of the Alberta Natural Gas Company or any other bona fide company under provisions of Pipe Lines Act but on the contrary feels very strongly that no bona fide company should be refused incorporation in that refusal would deprive the province of its right to deal with any or all legitimate companies interested in exporting gas and would restrict such dealings to those particular companies favoured by parliament for incorporation.

Are the hon. gentlemen still in favour of co-operating with the provinces, particularly Alberta, or do they prefer to restrict such dealings to those particular companies favoured by parliament for incorporation? I return to the statement of the hon. member for Vancouver-Quadra, at page 2513, where he is reported as having said:

> I am going to suggest to the minister and to the house that when this bill receives second reading it be referred to a committee of the house. I presume the proper committee would be the standing committee on railways, canals and telegraph lines. I suggest that it be referred to that committee for consideration. The same course should be followed with the special acts which are to be brought in in respect of the different companies. If such procedure is followed the result will be that the members of the house, the press and the Canadian public generally will have an opportunity to study the terms of the bill, and we may find in the end that we have the very best kind of legislation that can be enacted.

I assume that the hon. gentlemen are still in favour of the very best kind of legislation that can be enacted. Again, as reported at page 2653, the hon. gentleman said:

> When the bill was up for second reading it was suggested by members of the various opposition parties that not only this foundation bill but also the special acts should be referred to that committee, and I would ask that that be done.

Mr. Smith (Calgary West): Whom are you quoting?

Mr. Applewhaite: I am quoting the hon. member for Vancouver-Quadra. The hon. member said a great many things on that occasion.

Mr. Fulton: Why do you not read the whole of the speech?

Mr. Applewhaite: That was the end of that particular speech. I might just stop for a moment at this time, Mr. Speaker, in order to suggest that if hon. members would restrain that impatience born of frustration which always marks the defenders of the indefensible cause, I could perhaps get on with my remarks.

As reported at the foot of page 2513, the hon. member for Vancouver-Quadra said:

> The third consideration—and this is a very important one—is that this development of oil and natural gas must bring down the cost to the Canadian consumer. I submit that the development could be of great help in reducing the cost of living in Canada. There is not much use in Canada's developing vast quantities of oil and natural gas if our people are not going to have any benefit by way of reduced prices for those commodities.

That speaks for itself. The hon. member also said something else. I admit that on this occasion he was speaking with reference to his suggestion that railway rights of way be used; he said so many things that I have difficulty in keeping up with him.

Mr. Maybank: You are doing all right.

Mr. Applewhaite: As reported at page 2657, he said:

> If the cost is higher than necessary the Canadian people are going to have to pay the difference.

And again, at page 2514:

> That means that pipe lines should be installed in the most economical way possible.

That also speaks for itself. Again at page 2514 we find the hon. gentleman saying this:

> I hope the control of the board of transport commissioners is not to be a mere formality. If that were to be so, the bill would have little value.
>
> The administration of this measure is left to the board of transport commissioners, and that board must be in a position where it can do a real job.

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

Mr. Applewhaite: I should be most willing, Mr. Speaker, to permit at the end of my remarks all the questions that members wish to ask; but I think if they restrain their impatience they may find that the questions which are now worrying them will be met before I get through.

Mr. Knowles: All right.

Mr. Fulton: We will tell your colleagues to follow the same course.

Mr. Knowles: I shall listen with interest.

Mr. Speaker: Order.

Mr. Applewhaite: The hon. member for Vancouver-Quadra was not the only person who believed that the administration, in so far as these practical questions are concerned, should be left in the hands of the board of transport commissioners; because in the same debate, on April 27, 1949, as reported at page 2645, the leader of the Social Credit party, who is an Albertan, had this to say:

> So far as it provides authority for the regulation by the board of transport commissioners of pipe lines for conducting oil, we think that the bill is excellent.

Every hon. member and every individual in this country favours an all-Canadian route if such a route is economically feasible and possible. Of that fact, of course, there can be no question. These resolutions which have been passed—and I would include the resolution of the British Columbia legislature—would have been far more effective if they had included those words "provided the same is economically feasible and possible." We all favour an all-Canadian route under those circumstances. Let there be no misunderstanding about that. But we in this chamber are in this position: The existence of that feasibility and practicability, even possibility, has not been proved before us and cannot be proved before us, because this is not a forum in which that sort of evidence can be adduced. If this bill were allowed to go before a committee, or if this company were allowed to go before the board of transport commissioners, cost accountants could be produced and these questions could be answered. The failure to permit this bill to go to a committee just makes it impossible for us to get that information. In view of the requests that have been made from various sections of the opposition during the past few months for a committee on this and a committee on that, it is a little bit difficult for us to ascertain why the opponents of this bill are apparently afraid to let it go before a committee. No logical reason for that course of action, or rather of inaction, has as yet been produced.

I do not think it has ever been denied that the refusal to incorporate any more pipe-line companies in the west would have the effect of establishing a monopoly for the one company which already has its charter. That is not a monopoly compelling that company to build through British Columbia. As the bill has been passed and as the bill stands today, there is no restriction whatever, legally, upon the company, forbidding it to build anywhere in the world it likes, provided that it can get the necessary permits.

We are asked to defeat this bill. On what ground? On somebody's vague suggestion as to the intentions of this company and the intentions of the existing company, as to

whose intentions there is and can be no definite proof until each company restricts its applications before the board of transport commissioners to one route and one route only. I have said this would result in the establishment of a monopoly. I repeat that this is not a monopoly which compels the existing company to build an all-Canadian route. It is not a monopoly which compels the existing company to build any route. It is a monopoly upon which, if they choose, they can just sit on their exclusive charter and do nothing, and Alberta can whistle for markets and British Columbia whistle for gas indefinitely.

It has been suggested that we must eventually land up with a monopoly for practical reasons; that only one pipe line is feasible. That may or may not be true, but in any event it is only partly true. In the first place, why establish the monopoly in the negotiation stage? Why should we guarantee any chosen instrument freedom from all fair competition by any other at any time? We are told that we are going to find ourselves with a monopoly as the result of a sort of accident. Well, the cases in which someone did not know the gun was loaded are also accidents, accidents which could have been prevented with a little precaution; and, accident or not, the victim is just as dead. My friends of the C.C.F.—I think I still have some—will at least agree with me in this, that an established monopoly like death is pretty permanent and pretty hard to overcome. However, if the suggestion is that a monopoly is essential, and that the present company, which has its charter, is entitled to retain such a monopoly because it is going to build an all-Canadian route, though its charter does not say so, I would suggest this. Let the directors of that company hold a meeting and say so, and then let the directors of that company if they want us to hold off any competition in the interests of Canada, come to parliament and apply for an amendment to their charter which would forbid them to build elsewhere than in Canada, at least until they do reach the city of Vancouver. That would clinch the argument. I hardly think they will do that. It would be interesting to know what valid argument they can produce against such a suggestion.

Mr. Smith (Calgary West): You make the amendment and I shall vote for it.

Mr. Applewhaite: The suggestion has been made that we who support these bills on principle are in some way traitors to Canada or to our respective provinces. The word used by one hon. member was that this is a betrayal of at least part of the country. Nothing could be more absurd. A better job in the interests of Canada, a better job in the interests of British Columbia and Alberta, is being done by those who are willing to see all these companies go before a committee, and all these companies take their applications before the board of transport commissioners, than is being done by those who would retain one unrestricted charter for only one company.

As I say, we have no binding information as to the intentions of either company, and we cannot get that information in this chamber. There has been quite a lot of talk about surpluses; there has been quite a lot of talk in this house and outside of it by hon. members from Alberta—and I am sure they would not exaggerate—about the surpluses and potentialities of both oil and gas in their province. Then we have had a lot of opposition criticism of this government because we have not found markets for Canadian surpluses. Well, Mr. Speaker, it is not the Canadian government who are stopping the exploration of possible markets for this particular commodity. In that connection I trust the leader of the Social Credit party will not be annoyed if I repeat some remarks which he made, and which are reported at page 2776 of *Hansard* of April 29, 1949. I quote and adopt these words because he said them so much better than I could. Speaking of the bills which were before the last parliament, he said:

> They should all be passed. If they are passed it will enable both the Alberta government and the board of transport commissioners to consider every application for a licence and to deal with that application on its own merits. That would be ample protection to the people of this country.

We have no facts—of course we cannot have them—as to the cost of construction of an all-Canadian route. If this bill were before a committee, and still more so, if this company were before the board of transport commissioners, these things could be found out. At the present time this house does not know whether it would cost $10 million, $20 million or $70 million to build through British Columbia, or whether it could be done cheaper; and for some reason every step seems to be taken to make certain that this house does not get that information.

What about the consumer? Have we no responsibility for the consumer? I assume every hon. member will agree that the final cost to the consumer must depend very largely upon the cost of the capital works involved. And this brings me to a reiteration of a statement that I have made before, that we all favour the principle of an all-Canadian route. Why on earth would we not? But not if such a route is going to have the result of materially adding to the costs of home owners and the costs of production for ever to those who want to use gas as fuel or as power.

I should like to ask the hon. member for Vancouver-Quadra and the hon. member for Calgary West, both of whom are successful lawyers with many years of sound practice to their credit, to take home a little question with them this evening, and to arrive at an honest considered opinion on it in the morning. Would they advise a client to apply for a charter limited by statute to an all-Canadian route, while Westcoast Transmission still hold their unrestricted charter? Neither of these hon. gentlemen could or would answer that question with a yes. Neither of them is as green as all that.

Mr. Smith (Calgary West): My answer is yes.

Mr. Applewhaite: And yet that question shows us exactly the position in which we in this house find ourselves today.

I should like to draw to the attention of the opponents of this bill a principle of which they may or may not have heard. It is the principle of *stare decisis.*

Some hon. Members: Oh, oh.

Mr. Applewhaite: In common layman's language, that principle means that the general public is entitled to consider that the law, once established, will remain the same without arbitrary alteration other than by statute.

Mr. Fraser: You do not know the Liberal government.

Mr. Applewhaite: I would suggest to those opponents that they could find many passionate speeches in recent *Hansards* on that principle. Here we have the law and the practice definitely established. We have decided to treat five or six companies one way, and we are now asked to treat two in an entirely different way. I suggest that such a course of action involves an entire lack of principle.

Mr. Smith (Calgary West): I think you had better go to work on *stare decisis* again. It has nothing to do with it.

Mr. Applewhaite: The vehemence of the interruptions that we get during these debates shows a lack of sound argument upon which the interrupters can depend. It has been interesting to me to watch some hon. members gaily flitting all over southern British Columbia scattering pipe lines with a lavish hand from Kamloops to Vernon to Trail to Penticton to Keremeos to Armstrong, to goodness knows where, over lakes and mountain ranges, cheerfully oblivious of cost or of density of population, of potential markets or any other practical consideration.

The fact is that in that whole area the largest potential market is offered at the city of Trail. I will admit, and I think others will also, that if a line is built over the United States route it would pass in the neighbourhood of Spokane and Wenatchee. I suggest to hon. members that they look at a topographical map. If they do, they will find out that it would be easier and more feasible to build a line into places like Trail and Penticton from the south rather than down from Kamloops.

These are the practical facts we should have before us, and these are some of the practical facts which can be brought out only before a committee or the board of transport commissioners. I suppose it is because we do not want these practical facts brought out that we do not want to get this bill into a forum where they can be ascertained. Incidentally I wonder if it is fair to mention little places like Keremeos in a debate of this kind. Nothing could be crueler than to dangle before small communities the hope of cheap gas and cheap fuel and then find out that the population is not sufficiently large to justify the expense of the construction of the distribution works involved.

I assume that the fear in the minds of hon. members who are opposing this legislation is that gas will be exported for use by United States consumers leaving the Canadian consumers unsupplied. That is a very legitimate question to raise, but the question was answered last year by the hon. member for Calgary West (Mr. Smith) who placed on *Hansard* on April 27 the appropriate sections of the Electricity and Fluid Exportation Act, which provides that a permit to export may be cancelled if Canadian requirements are not being met. That statute is effective, and it provides that protection today.

In these days nearly every board of trade in my district is passing resolutions urging greater freedom of international trade and international traffic. We are all urging a greater amount of international co-operation. This debate sounds very much to me like no truck or trade with the Yankees. It sounds to me like narrow nationalism carried to the point where it is definitely deleterious to our own country, as narrow nationalism always is.

The real argument in favour of this legislation is based upon a sound principle which we should be able to count on the Conservatives supporting. It is the principle that business is entitled to conduct itself in this country on two sure foundations. One is that there shall be free and untrammelled competition on an equal basis between all who are engaged in the same business. I do not believe in playing favourites. I am not going to say to one, "Yes, you can have your charter", and to the

other, "No, you cannot even apply for a hearing". I do not believe that that is the way Canada wishes to do business.

The second principle under which business should be able to operate in Canada is that it should be free from all restraints except such as are necessary in the public interest, and those should be applied with equal hardship on all. I make this statement whether these bills pass or not, but particularly if they do not pass: The history of the next five or ten years will show that the real interests of Canada, of Alberta and of British Columbia have been best served by those who supported these bills.

Mr. Knowles: Before the hon. member sits down may I ask a question? I accepted his suggestion that I wait until he finished. When the hon. member was quoting from the remarks of the hon. member for Vancouver-Quadra made on April 8, 1949, why did he omit any reference to what the hon. member said as reported in the second column of page 2513 of *Hansard*?

An hon. Member: You read it.

Mr. Knowles: The hon. member read from the first column and also from the next page, but he did not quote what the hon. member said—

Mr. Applewhaite: The hon. member has asked his question and I will answer it. I was carrying on a certain line of argument, and when the hon. member for Vancouver-Quadra was wise enough to support my argument, I quoted him.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am glad that I offered to stand aside until the hon. member for Skeena (Mr. Applewhaite) had spoken, because if it had been necessary to hear an argument in this house as to why there should be a demand for a procedure other than that now before the house, it was contained in the remarks that we have just heard.

I should like particularly to refer to one lofty observation the hon. member made to those less capable of understanding the niceties of debate. He asked hon. members to restrain that impatience which always marks the defenders of any indefensible cause. May I underline those words and remind hon. members that they are excellent words as applied to the impatience of other members of this house when certain principles are insisted upon in connection with private legislation.

I am entering this debate at this time because no one with the slightest appreciation of what has taken place can longer regard these bills, and particularly this one, as private bills. It is obvious that they have the support of the government, not simply the concurrence of individual members of the government. It is surely not without significance that the bill now under discussion is sponsored by the parliamentary assistant to the Minister of Mines and Technical Surveys (Mr. Maybank). That gives it at least a semi-official, if not a fully official, position before this house. It would be surprising if the parliamentary assistant of the department which handles minerals in this country were to sponsor a bill which did not have more than passing approval by the government. That may be quite all right, but let no one suggest that the government has no more than an ordinary interest in this bill. That interest has been shown by the intervention of the Minister of Trade and Commerce (Mr. Howe) on more than one occasion, and by other hon. members of this house.

There is a much wider principle involved here than that which has been discussed today. Before discussing what I regard to be the basic and fundamental principles involved, may I suggest that it was most improper for the hon. member for Skeena to speak of those who, as he said, might be prompted by friends of the applicants for a particular bill. If there is going to be any suggestion of special interest in these bills, then I suggest to the hon. member who has just spoken that the Minister of Trade and Commerce has indicated a definite interest in only one of the bills now before the house, the bill under discussion at the moment.

I want to refer in some measure to ancient history with reference to what is under consideration in the two pipe-line bills now before the house. First of all, I ask hon. members to recall that the measure now under consideration is not a bill dealing only with gas pipe lines. It is a bill which also confers the power to build an oil pipe line. Therefore we should bear in mind the fact that the measure has wider possibilities than merely the handling of gas. Of course that has some relation to the question whether it is to be used for export purposes or merely within our own country.

A great deal has happened in Canada since the first oil well came into production at Petrolia in 1858. A great new industry developed in that area. Gas became a cheap and efficient fuel for homes, places of business and industries throughout a considerable part of southwestern Ontario. The oil industry became a most important one, and as a result of that discovery the Imperial Oil Company came into existence and has continually

expanded ever since that time. Today there is very little oil in that area, and there is real concern about the supply of gas, which requires to be supplemented by supplies from the United States. What has happened there, where the first oil and gas production came into being, offers many lessons which should be borne in mind in dealing with these matters. Both gas and oil are wasting assets. Gas and oil become exhausted.

The other side of the picture of course is that tremendous development goes hand in hand with adequate supplies of gas and oil. Every hon. member of the house is aware of the fact that there is a great chemical industry in the Sarnia area related to the production of oil now supplied so largely from the United States. That is something which can be paralleled in Alberta and in other areas where gas is found today. British Columbia, with its vast resources of raw materials, can make most effective use of this cheap fuel, as also can Saskatchewan and Manitoba. Nor is there any reason why the possibility of the use of gas as a fuel for industry, and particularly for chemical plants, should be limited to the provinces I have mentioned. At the present time a great gas pipe line is being built for a distance of 1,800 miles from Texas to the city of New York, a longer distance by far than it would be necessary to carry gas to the lake ports in the northwestern section of the province of Ontario.

There are vast possibilities for the use of this cheap fuel within Canada in the development of Canadian industry. I was amazed to hear the hon. member for Skeena suggest that the arguments that have been put forward in opposition to this measure sounded like "no truck or trade with the Yankees." That is simply a sample of the specious type of argument which has been put forward to meet the sound reasons advanced in favour of the development of Canada's resources for the advantage of Canadians themselves. At no time have I heard any suggestion that, when Canadian needs were satisfied, we should not export such surpluses as we may have from time to time; but gas is power, power means production, and production means income and the possibilities of new population in different parts of the country.

Our first concern should be for the development of Canada, just as the first concern of the government of the United States has always been for the development of that country. While the United States have made available to Canada supplies of oil, gas, coal and other products which we require, they have never left any doubt that the export of their raw materials and other products must always be related to the primary consideration of the development of their own country. No United States citizen will raise any question about the soundness of the assertion of that same policy in Canada. Certainly we want to have friendly dealings with them. Certainly we want to have an exchange of surpluses with them, but surely it is inconsistent for us to export vitally important resources from Canada until we have first assured to our own people those resources which are in short supply. We have imported, and will continue to import, enormous quantities of oil, and we shall continue to import gas. Certainly we should be sure that we use our resources of gas and oil here in Canada.

A Canada-first policy does not mean Canada only. It means that we make use of these resources to the greatest advantage of our own people before selling them to others. After all, the same policy has been followed as to our forests. In Ontario, Quebec, and other provinces whence these resources are exported in such large quantities, provisions are in effect which insist that to the highest extent possible the raw wood shall be processed in Canada. That policy has not been seriously objected to in the United States. It is a policy which has built up the great paper, pulp and other wood industries of Canada. We should make sure that we build up other industries in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario and the other provinces of Canada, whether the resource be gas, oil, or any other basic commodity we have in Canada.

There are vast possibilities. In every case of this kind let us realize that cheap fuel means cheap production, and cheap production means not only the possibility of the development of new production within our own country, but also the possibility of export to other parts of the world in highly competitive lines.

A great deal has been said, and more will be said, about freight rates. What better way is there to overcome the problem of freight rates than to manufacture and use our raw materials right at the source, with the power available within our own country, so that we can ship the finished product when it has the highest value in relation to its volume? The best way to overcome the difficulty of freight rates is for the manufacturing to be done from the raw materials right in Alberta, British Columbia, Saskatchewan and Manitoba, and to send the products in their most valuable form to the rest of Canada. That is true in this case just as it is true in the maritime provinces, where they have possibilities of the development of power to which I made reference on other occasions.

What we are considering here is not only a gas pipe line but an oil pipe line as well; and it seems to me we should have a great deal more information before being asked to pass upon this application. We are told it can go before a committee, but the committee is not going to find out what route is going to be followed. The Minister of Trade and Commerce (Mr. Howe) has stated that to his knowledge at least five routes have been surveyed by the company making this application. Therefore the house is not going to be in a position to pass judgment upon the route that will be followed.

This brings me to an observation made in this house a year ago when another of these bills was before us. If this house is not going to be asked to exercise its judgment in relation to the route to be followed, this bill should not be before us at all. Right in the act under which these pipe lines obtain their authority it is made quite clear that there is a similarity to the procedure under the Railway Act. That is to be found in section 4, where it says:

> The provisions of the Railway Act relating to sittings of the board—

That is the board of transport commissioners.

> —and the disposal of business, witnesses and evidence, practice and procedure, orders and decisions of the board and appeal therefrom to the Supreme Court of Canada are applicable with respect to every inquiry, complaint, application or other proceeding under this act, and the board shall exercise and enjoy the same jurisdiction, powers and authority in matters under this act as are vested in the board by the Railway Act.

That would indicate quite clearly that an application is to be dealt with in a similar manner to an application under the Railway Act; and it is obvious why that should be so. These pipe lines become great common carriers, not just for one oil company, not just for the products of one or two designated producers, but common carriers for oil supplied to them. The principle is the same.

If we come to the practice in this house with respect to either railways or canals, if an application is made for a charter for a new railway or a new canal a map must accompany that application so that hon. members in deciding on the charter know the route which is to be followed. Surely if that is sound in the case of a charter for either a railway or a canal, or an addition or change in relation to it, that principle is equally sound in this case. The very fact that the practice before the board is to be similar to that under the Railway Act should make it clear that the practice and procedure in this house in dealing with a bill of this kind should be the same.

We are told that applications were dealt with last year, and that if we insist upon following this procedure now we are granting a monopoly. I wish to make it clear, Mr. Speaker, that the remarks I make now apply with equal force to those applications which already have been made. If mistakes were made in the past that is no reason for continuing to make those mistakes. As it happens no confusion arises in regard to the carrying of gas or oil west, because the board has not yet disposed of the application of Westcoast Transmission Company Limited, which obtained a charter from this house last year. Certainly I would strongly urge that every rule made applicable to these two companies whose applications are now before the house should apply with equal force and without reservation to the company to which I have referred.

But, Mr. Speaker, I should like also to be sure that all these companies are going to be considered equally. I think that is something every hon. member would like to be quite sure about. In that respect I noticed that the Minister of Trade and Commerce had this to say at page 850 of *Hansard* of Friday, March 17:

> Several members of the house have given information that they obtained from the principals behind the bill, and I have given information that I obtained from the principals behind the bill. I might say that I cannot understand the unnatural fear that certain hon. members have of letting these men come before a committee of the house where members of the house could find out what they intend to do.

The principals there referred to are the principals behind the bill under consideration. The remarks then made were not on any bill then before the house, but were in reply to a question asked by the hon. member for Fraser Valley (Mr. Cruickshank). That, then, carries us back to a discussion that took place in the house on November 15, 1949, and I should like to quote again from the statement by the Minister of Trade and Commerce as it appears at page 1806 of *Hansard* of that date:

> A good deal has been said about possible routes of the pipe line. A good many uninformed assertions have been made in the house in that regard. I know nothing about the pipe line company which is asking for incorporation under this bill; but I do know something about the interests that are asking for incorporation under another bill now before the house. I know that that company has surveyed five routes from Alberta to the Pacific coast, and that one of them at least is an all-Canadian route.

I then pass over certain further remarks and quote again:

> I should like to know much more about the incorporation asked for in the bill about which I am speaking than I know at the present time. But the place to obtain that information is in the committee on railways, canals and telegraph lines to

which this bill will be referred, and before which the sponsors of the bill will appear to make their case for incorporation.

Further on the minister said:

The province of Alberta will, in the end, decide with which incorporated company it wishes to do business.

I might explain that those remarks were made when the Prairie Transmission Lines Limited bill was before the house, and the principals to whom the minister referred on that occasion were those behind the bill now under consideration, that is, the bill to incorporate Alberta Natural Gas Company. In other words the minister quite frankly indicates his knowledge and interest—and that interest is quite natural in regard to activities of this kind—and it is clear that he has been dealing with or that he knows about the Alberta Natural Gas Company but he does not know so much about the other company. From this it seems quite obvious that the minister has a much greater interest in this company than in the other one.

Mr. Howe: I might explain that the representatives of one company called on me and told me their story, but that was not so in the case of the other company. I have not the vaguest idea who is behind the second bill.

Mr. Drew: I accept that statement, but I must say that if the principals behind the other bill did not call upon the Minister of Trade and Commerce, he must be the only member upon whom they did not call, because they were moving around here fairly freely for some time.

Mr. Howe: Who are they?

Mr. Drew: The principals are named in the bill. I do not know anything about them, beyond the fact that there were certainly people around here during the last session trying to see everybody about this matter. It may be that the minister avoided seeing them, and perhaps some others did as well.

Mr. Cruickshank: On a question of privilege, in fairness to the minister, I should like to say I do not think that is a correct statement. I sponsored the company seeking incorporation last year, and we did not think it necessary to communicate with individuals. We had a good case, and we let it go at that.

Mr. Drew: Of what company is the member for Fraser Valley (Mr. Cruickshank) speaking?

Mr. Cruickshank: I sponsored the bill for the Westcoast Transmission Company, whose directors are principally business and financial men in the province of Alberta.

Mr. Drew: I am speaking about the other company whose bill is before us, Prairie Transmission Lines Limited. I only interjected that comment because, as a matter of fact, it became something of a joke around here, the extent to which members were being met in the lobby and asked—

Mr. Cruickshank: It was far greater this year than last year.

Mr. Drew: —to listen to certain arguments. I am not suggesting there was anything improper about that. It is quite proper for those who have business before the house to inform members on the subject; it is helpful if they do that. I am only pointing out that, if the minister has not heard any arguments on behalf of that company, I can assure him others did, and in the way I have mentioned.

I do want to point out that if the bill is sent to committee, the members of the committee will not get detailed information as to the route. The committee will be able to find out who the principals are, but their names are already shown. Committee members will be able to ask other questions as to the company's ability to carry out its obligation, the general purposes and so on. It is still a fact that the members of this house will not have before them the information which is an essential requirement in the case of an applicant for a railway, or a canal, and which is made a similar procedure by the words of the governing act.

Let us see what we are being asked to do. We are not just being asked to pass a bill which incorporates a company. We are being asked to pass a bill which gives to the people securing that incorporation extremely wide powers. I think those powers should be on the record, so that no one will be in any doubt as to what powers are being conferred when parliament passes this bill. Section 7 of the Pipe Lines Act should be on the record along with the arguments which are being made. The Pipe Lines Act was passed on April 30, 1949, and section 7 reads as follows:

7. A company may, for the purposes of its undertaking, subject to the provisions of this act and the special act,

(a) enter into and upon any crown land without previous licence therefor, or into or upon the land of any person, lying in the intended route of its line, and make surveys, examinations or other necessary arrangements on such land for fixing the site of the line, and set out and ascertain such parts of the land as are necessary and proper for the line;

(b) purchase, take and hold of and from any person any land or other property necessary for the construction, maintenance and operation of its line and alienate, sell or dispose of any of its land or property that for any reason has become unnecessary for the purpose of the line;

(c) construct, lay, carry or place its line across, upon or under the land of any person on the located line of the company pipe line;

(d) join its line with the pipe line of any other person at any point on its route;

(e) construct, erect and maintain all necessary and convenient roads, buildings, stations, depots, wharves, docks and other structures, and construct, purchase and acquire machinery and other apparatus necessary for the construction, maintenance and operation of its line;

(f) construct, maintain and operate branch lines, and for that purpose exercise all the powers, privileges and authority necessary therefor, in as full and ample a manner as for a company pipe line;

(g) from time to time alter, repair or discontinue the works or any of them, mentioned in this section, and substitute others in their stead;

(h) transport oil or gas by company pipe line and regulate the time and manner in which oil or gas shall be transported, and the tolls to be charged therefor; and

(i) do all other acts necessary for the construction, maintenance and operation of its line.

Those are extremely wide powers, Mr. Speaker, to confer upon a company when we do not know where those powers are to be exercised. I do not believe it is sufficient for the members of this house to be told that this matter is to be passed upon by the board of transport commissioners; that the Minister of Trade and Commerce must give an export licence before the gas can be exported; or that the government of the Province of Alberta must approve of the delivery of oil to this particular pipe line. After all, the members of this house cannot delegate their responsibilities to others; but that is what we are being asked to do if we give an open charter of this sort, without any definition of the route or circumstances under which these extremely wide powers are to be exercised.

With this bill before us, the members of this house are not fully aware of what the ultimate, detailed application before the board will be. We know that a great many changes may take place, because a great many changes did take place in the routes under consideration in the case of the application of the Westcoast Transmission Company, which was granted a charter last year. Let us see what did happen in that case, so that no one will be under the impression that a company would be tied down to any route which it gave a committee to understand it would follow.

The Westcoast Transmission Company Limited was granted a charter by parliament last year. The company has made three applications since then to the board of transport commissioners for approval of a pipe line. The first application was filed on May 10, 1949, and that asked for a line from Athabasca to Vancouver, and a branch line down to Blaine. As hon. members know, this town is on the border, and three-quarters of it is in the state of Washington. That application was withdrawn on November 15, 1949. The second application was made on May 11, 1949, but no action has been taken on that application. It called for a line from Edmonton through the Crowsnest, following the route of the Canadian Pacific. It misses Macleod, does touch Cranbrook and goes to Kingsgate. Kingsgate is also on the border. This plan also called for a branch line from Kingsgate to Trail, and a map filed before the board in that case shows the pipe line continuing into the United States to Sandpoint, Idaho, a little over 50 miles from Spokane.

A third application was made on October 13, 1949, by this same company. That called for the route to go through the Yellowhead pass, from Edmonton to Edson, Jasper, to Tete Jaune Cache, B. C., south to Vancouver and also a branch line to Dawson Creek, B. C. That application was heard on November 23, 1949, and adjourned to February 21, 1950. When it came up on February 21, 1950, it was then adjourned *sine die* and that is where it stands. I think it is important that we bear that fact in mind, because the concern of the members lest any monopoly has been created is not borne out by the actual situation. They are no farther along than are the present companies; and any observation that I make applies with equal force to any one of these companies.

But we are not leaving this matter in thin air. There is a simple procedure which should be followed. If this is not to be dealt with in exactly the same way as an application on behalf of a railway or on behalf of a company that intends to construct a canal, where they file their map, and that is before the members of parliament, then I submit that there is an extremely simple procedure which should be followed. There should be an amendment to the Pipe Lines Act, and that amendment should provide that the companies referred to in these procedures will be companies which have obtained a charter under the dominion Companies Act. In other words, if the members of parliament are not to exercise any judgment, if they are not to be given the facts upon which they can exercise some judgment, then there is no reason why this incorporation should not be granted in precisely the same way that incorporation is granted to any other applicant under the Companies Act. It should simply emanate as an administration procedure from the department of government that grants charters. Upon complying with the requirements as to information which is necessary for the purpose of obtaining a charter, they should obtain a charter in the ordinary way. Then they should go before the board of transport commissioners and make their application. We would then not be called upon to go through the pretence of exercising some judgment in

regard to bills which are before us but which do not give us information upon which any judgment can be exercised.

I hope that no one will suggest that we are standing in the way of charters being granted. Before any hon. member, whether it be a minister of the crown or any private member on the Liberal side, suggests that we are standing in the way of companies getting incorporation so that development can be proceeded with in this country, let them give us some sound and understandable explanation why that simple procedure cannot be followed. It would save a great deal of time in this house; it would bring this debate to an end, and that seems to be a matter of great concern to the government and to some others; it would carry this procedure forward on a proper and sound basis; and it would do away with any suggestion that the members of this parliament are being used as rubber stamps to give a high degree of authority to those who are applying, and that they would be giving incorporation by parliament itself, which seems to have a strangely useful value when the financing stage arrives.

I want to make it clear that I do not think that the discretion of the members of parliament should give to any applicant that added measure of authority that comes from parliamentary responsibility, for the purpose of carrying out their financial arrangements with what appears to be an added measure of authority granted in that way. The charter can be a charter with all the powers conferred by the Pipe Lines Act. The amendment is simple. It simply needs to say that the company referred to in the act is a company with a charter granted under the dominion Companies Act. It seems to me that the government should have some reason for not following that course before it asks us to deal in this way with an application which will give us such limited information.

This is not something about which there has been no discussion. Some suggestion was made this afternoon that there had been nothing but vague generalities. But there are more than vague generalities in connection with this matter. I am not putting before parliament any one publication as having any special authority; but hon. members who have been following the discussions on this matter must have noticed that there have been in responsible publications a number of discussions which indicate that there is going to be substantial export of oil down from Alberta, through Montana, Washington and into Oregon. I am not suggesting for one moment that there should not be such export as long as our own requirements are first met and assured indefinitely.

I want to refer to a drawing which appeared in a publication which enjoys a good reputation for accuracy and responsibility. I refer to *U.S. News & World Report*. In their issue of December 2, 1949, there is a drawing which shows in black the oil pipe line from Edmonton to Superior as one which has already been granted, and then it shows the line down from Edmonton to the border at the junction between Montana and Idaho, then on into the state of Washington to Seattle, down through Tacoma to Portland. There is no line shown to Vancouver or in fact to the west.

Mr. Howe: Is that not the Westcoast Transmission Company line that my hon. friend just described?

Mr. Drew: No.

Mr. Howe: Down through Kingsgate?

Mr. Drew: No. This does not give the name of any pipe line. I was under the impression that this is a line which has been under discussion in some way. It refers to this as a proposed line, but it does not mention the name of the company at all. I would suggest again that we bear in mind that these applications are for oil lines as well as for gas lines.

Mr. Howe: Oh, no.

Mr. Drew: What is that?

Mr. Howe: I understood that this was a gas line that is under discussion?

Mr. Drew: No; it is for oil and gas.

Mr. Howe: I mean, the bill indicates that the application is for a gas line; you cannot have both through the same pipe.

Mr. Drew: I hope every hon. member will realize that it is dealing with an oil pipe line too; it does not mention oil by the name of oil, but it covers oil because instead of using the term "oil" as it is used in the other two bills it uses the term "liquid hydrocarbons", which means either crude or refined oil. It might have been more convenient perhaps if they had used the same term in each bill, but those who drafted the bill chose the term "liquid hydrocarbons".

Mr. Howe: I am sorry; I think my hon. friend is right.

Mr. Drew: Yes. I am merely pointing that out because I do not want any of the members to be under any misapprehension. This does cover oil. Consequently, in granting this we want to realize that we are granting authority both for gas and for oil, and that when this proposed line is drawn in a fairly exact form, it may be constructed for oil as

well as gas and in fact even be referring to the oil in this particular article to which I have referred.

May I qualify my remarks by saying quite definitely that I am not suggesting for one minute that this publication has any authority to speak either on behalf of the government of Canada or on behalf of the board of transport commissioners. I merely refer to this because it is only one of a number of well-informed articles which have shown similar drawings and which indicate that there is such an understanding in the minds of many people. I also would like to feel that we have all the information that is available in regard to discussions that have taken place. If, for instance, there is any *quid pro quo* as between the authorities in the United States and Canada I think we should know it. If there is any qualified understanding that there will be export of gas and oil south from Alberta, as a condition of the entry of gas particularly through Ontario for their requirements, then it would be helpful if we knew it. I do know that this has been suggested in the discussions to which I have referred. So long as our own requirements are met, it is only proper that we should deal in a businesslike way with those who have dealt in friendly terms with us in the past.

As many hon. members know, there was a very severe shortage of gas in southwestern Ontario, in 1944, in 1945 and again in 1946. Actually, in the cold weather it became quite severe, as the Minister of Trade and Commerce knows. An application was made to the federal power commission in the United States for permission to export gas from the United States. Actually there had been an executive order in 1944 permitting the Union Panhandle company to export gas into Ontario. However, in 1946 the federal power commission overrode that executive order and declared that such export was illegal without a permit being granted by the federal power commission. At present there is an application by the Union Panhandle Pipe Line Company before the federal power commission in the United States. They contemplate exporting gas to the province of Ontario, and meeting the requirements in that southwestern part of the province. There is also reason to believe that, if this application is granted, two other companies propose to apply, and they have in mind supplying gas as far as Montreal. It is already carried through to Hamilton. The intention of these other companies is to carry gas on to Toronto and to Montreal.

I am pointing out to the house that discussions have taken place, which contemplate the supply of a large quantity of gas in eastern Canada, to Ontario and to the province of Quebec, and that rightly or wrongly there is in the minds of some of the United States interests a belief that there is a relation between the granting of this authority in the east and the granting of the power to export in western Canada. We should certainly know if any such consideration does exist. I am not for a moment suggesting—and I do not want the Minister of Trade and Commerce to take from my remarks that suggestion—that there would be anything improper in such a discussion; but I do say that if such a discussion has taken place, and if the representatives of the Panhandle company have had discussions here and have had discussions of which they are aware in Washington, and which are related to the export of gas and oil possibly from western Canada to the northwest states in the United States, these are certainly considerations that should be fully disclosed, because many hon. members would feel that this was a businesslike proposition. We would also like to know what the policy is.

Before we give any blanket authority from this parliament I feel that we should also know what the policy of the federal power commission in Washington is, because unless they are prepared to grant authority to export gas to this country where it is required, then certainly we should not put ourselves in the position of granting authority for the export of gas in another part of Canada. This should be one business transaction, if it is in fact under consideration, or if there is any relationship between the two.

I come back, however, to this part of the discussion which has been before the house. We hardly yet realize the change that has taken place in the opportunities that are offered to the people of Canada in these last two years as a result of the discoveries in Alberta and of what may happen beyond that. I should like to quote from this article, which uses a colloquial form of expression:

> Oilmen say that, from the standpoint of exploration, Alberta is "the hottest place on earth."

They do not mean just the ordinary heat; they are talking about the tremendous possibilities of this development. Just to take the province of Alberta alone, let us keep before our eyes the opportunities presented to the province by these oil discoveries, and by the presence of gas in such enormous quantities as a result of these oil discoveries, along with the existence of coal. In this instance coal becomes valuable as something more than fuel, because today coal is the basis of some of the greatest chemical developments that have been discovered by man. Through the use of cheap gas, through the use of oil right in Alberta, chemical developments could take place which would make Alberta one of the great industrial centres of the whole

Dominion of Canada and of the North American continent. That applies with equal force to British Columbia, if adequate supplies of gas and oil are carried to the great centres of British Columbia and to tidewater where industries can locate and export to the markets of the world. With their enormous resources, let us not measure the demands of British Columbia in terms of the gas they can use today or tomorrow, but measure it in terms of what could happen there with their raw materials being fabricated in great industries that would use these cheap forms of fuel for the employment of hundreds of thousands, yes, possibly millions of people in that one province alone.

Let us not forget the raw materials that lie in the north of Saskatchewan and Manitoba, to say nothing of the increasingly strong belief that there are oil resources in Saskatchewan and Manitoba as well. These are the possibilities of tomorrow. And what we do today, and the conservation that is insisted upon today, should relate to these possibilities of tomorrow.

I repeat, Mr. Speaker, that I for one am not raising these views today for the purpose of opposing development. I raise these views because I believe that the way to get development is to simplify the procedure, and not take the time of this house in dealing with things when we are not asked to pass judgment upon any known facts. When I say "any known facts", let me say any known facts in regard to the final route over which this pipe line will go. Let the government accept the suggestion that has been made. If the bill before the house is not to contain a map which shows where the route will go, then let there be a simple amendment to the Pipe Lines Act, which makes it possible for any company to obtain a charter, and then the board of transport commissioners will in fact assume the authority.

The hon. member for Skeena (Mr. Applewhaite) was quite frank in his statement that we have not the facts before us. According to him we should pass this bill along and let somebody else exercise his brains in regard to the way it is to be done. That is not the reason we were elected to come here. We were elected to represent the people in our own constituencies, no matter to what party we belong. We were elected to exercise some measure of judgment and I believe we should insist upon being given the facts upon which judgment can be exercised before we deal with a bill of this kind. It is for that reason that I for one intend to oppose these bills before the house.

I believe it is the duty of every member to realize the tremendous future that has opened up to the whole of Canada by these mineral discoveries, not only in Alberta but elsewhere, during the past few years. With that knowledge we should gauge our course of action here to the tremendous future that lies immediately ahead. Yes, we should be prepared to export our surplus, but quite frankly our policy should be Canada first in the use of the resources which we possess.

Mr. G. M. Murray (Cariboo): Mr. Speaker, because the riding which I represent has been mentioned this afternoon it is necessary for me to take some part in this debate. I come from the Peace river district of British Columbia where many wells have been put down and where there is a large surplus of natural gas and very good prospects of oil. We will be much concerned with any policy adopted by this parliament in connection with this bill or any other bill which may be brought in later.

As I see the picture today, if we do not allow this bill to pass we will be giving the company which has been incorporated a monopoly. If there is one fear that we should have in this country it is about private monopoly controlling our great basic resources. A pipe line is a transportation system and the question of rates would come up. If there is but one pipe line transporting these vast resources of oil from Alberta and northern British Columbia to the Pacific, I am sure there will be a likelihood of danger of a monopoly taking advantage of its position and levying excessively upon the consumers.

It has happened in the past in Canada. It was very fine to hear the leader of the opposition (Mr. Drew) refer to the early days of oil development in Ontario in 1858, but if you will trace the history of our country you will find that the only misery and civil difficulties that arose were due to monopolies which were forced upon the people of Canada. I think that this bill or any reasonable bill backed by honourable men should be passed by this parliament. There should be a free field in the development of the oil resources of our country so that there will be safeguards for industry and for the consumers of the products which are carried by these pipe lines.

I think of another monopoly which found its origin in Calgary many years ago, a monopoly in connection with a basic commodity which is vital and necessary to every home owner or other person who has a stake in the country, particularly farmers and industrialists. I refer to the manufacture of portland cement. I can remember when there were a dozen cement mills across Canada competing one with the other and producing plenty of

cement in the golden days when the west was being developed and new homes were being erected from coast to coast.

Then came the sinister hand of monopoly. These cement mills were gathered together and placed under one directing head. The price of cement per sack was at once advanced. Companies were incorporated and stock was placed upon the market to the great enrichment of the promoters who were clever enough to manipulate the creation of a monopoly in a product essential to the country. We are still paying the penalty for that. If you will look over the figures you will find that last year we imported four million sacks of cement from foreign countries. The local organization which has such complete control from coast to coast was not able to supply the cement.

Across the line in the state of Washington, where our alleged enemies live who are going to squeeze the gas out of this pipe line and deny it to the widows and mothers of British Columbia, Henry Kaiser is manufacturing cement on the Columbia river and shipping it into British Columbia by scow loads. This at a time when our own great monopoly is not able to meet the needs of the community in respect to that commodity. It will be the same with oil. Just the other day complaints were raised in the House of Representatives that one of the oil lines in the United States was imposing excessive charges upon the industrial community around Detroit, Michigan, running into many millions of dollars. It was claimed that they were exacting tribute from that industrial area as a result of their monopoly.

Mr. Smith (Calgary West): Was it true? Were they?

Mr. Murray (Cariboo): True or false, that was stated in an Associated Press dispatch under date of March 16 which is in the library and available to hon. members to read. It is almost prophetic of what will happen if we permit one interest to move the gas and oil from Saskatchewan and Alberta to the great Pacific seacoast.

Some people seem to fear the United States as though they were about to destroy us. But they did not talk that way when the *Repulse* and the *Prince of Wales* were sunk in the Pacific and the United States came in and built a pipe line from Norman Wells to Skagway. They did not ask for delay to incorporate another company to carry it over a Canadian route. That oil was carried some 600 miles to service the ships of the United States navy at a time when things were very dark in that part of the land.

Alberta Natural Gas Company

I was up on the Peace river when it was necessary to build a bridge across the river for the defence of North America. A group of United States engineers arrived with their equipment, steel, cement and the other things necessary for the construction of a bridge. I assure you that no Canadian rose to say that it must not be done because it was not a Canadian bridge. That bridge was built over the mighty Peace river to increase the security of the defence of both Canada and the United States.

Supposing they do take gas out of this line for industries in the state of Washington. I was in British Columbia not long ago and I met a group of lumbermen who told me that lumber is now going from British Columbia to the United States market. Future shipments of lumber to that country depend upon the existence of good will. If the United States tariff on lumber were increased, certain mills in British Columbia would have to shut down. I ask you if it is not a proper thing to maintain employment in British Columbia where thousands of men are working in the logging camps and mills producing lumber for sale in the best world markets available. The best market at the present time is the United States of America. None of us have complained about loads of lumber going over there. None of us have complained about the tons of newsprint from Powell river and other places that go to the United States of America. Why should we complain about selling them a little gas or oil from the Peace river country or Alberta?

As I say, I regret that able men have risen in this house to champion monopoly in the great basic industry of the transportation of gas and oil. We remember the monopoly that was granted when the first Canadian railway was put through to the Pacific coast. One railway had the sole right to transport goods east and west, and no other railway might cross it at right angles in the region from the head of the lakes to the Pacific ocean. Within my own memory I recall that the people of Manitoba desired that other railroads should be constructed in their province to serve the settlements, to move wheat and other products, and carry on trade north and south in their province. The man who sought to build that railroad from the United States north through Manitoba was a good Canadian by the name of James J. Hill, an empire builder, born at Guelph, Ontario. He was told that he could not build a railroad across the main line of the railroad then in existence. The legislature of Manitoba had something to say about that. They made a request that the new company be allowed to build a line running up into the northern part

of the province. Resolutions to that effect were passed by the Manitoba legislature and sent to Sir John A. Macdonald and his government at Ottawa, but they said: No, we have made a contract, we have given them a monopoly, and we do not propose to see it broken.

Just imagine what would have happened if they had had their way in the 1890's, if the government at Ottawa had been adamant in its refusal to break the franchise that had been granted. There would not have been any members here from northern Saskatchewan, from the Peace river district or from Edmonton because all the traffic was east and west. The monopoly had it within its power to decide what part of the country would be developed and at what time. I have not noticed this in any of the school books that my children and grandchildren are reading today, but the people in Manitoba made an armed protest against the monopoly which was throttling the province at that time. Under the leadership of a fiery man who was then attorney general of Manitoba, the late Hon. Joseph Martin, K.C., who later became premier of British Columbia, an organized rabble burned boxcars and tore up tracks. As a result James J. Hill was allowed to build his railway to the north.

After their protest they came to Ottawa again to ask that the monopoly be broken and Sir John A. Macdonald was wise enough to yield. The government of Manitoba said they would pull out of confederation and make Manitoba a state of the United States if the federal government did not grant their request. In the face of that attitude the monopoly was broken, and railroads were allowed to be built north and south in Canada. As a result there was free competition, and the country was developed as it has been in the last several generations.

The history of the Peace river country suggests a monopoly which existed in Canada long ago when the fur trade and all other resources of Canada were vested in one corporation. Then the Northwest Company came into the picture as a competitor of the vested interest which had been established in 1670 by the courts of England. With the Northwest Company came Alexander Mackenzie looking for an opportunity for peaceful trade in the northwest section of Canada. Alexander Mackenzie discovered the Peace river, and also the Mackenzie river which bears his name. It was he who first found evidence of natural gas and oil in that country, and it is noted in his chronicles away back in 1793. He was a man who came there as a result of his desire to enter into free competition in a free land.

He established trading posts here and there. I believe Kamloops, which is so ably represented in the house, was one of them. Many of these posts would never have come into existence had the cold hand of monopoly remained in control of the northwest.

It is a great opportunity to be able to rise at this moment and support the bill now before the house, and to state my support of any other measure which will encourage free competition in Canada.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, I want to say a few words as to this measure in order to clarify my own position. I listened carefully to the hon. member for Cariboo (Mr. Murray), and I have also listened to many other speeches that have been made in the house for and against the bill. I have yet to find that anyone has made the statement, in such a way that it carries any weight, that the granting of charters to these two companies would assure competition in the transportation of oil from Alberta to British Columbia or anywhere else. Not from personal knowledge but from listening to the experts, my understanding is that only one pipe line is to be constructed. If there is to be one only, then I assume it will be built by one company, or else it will be constructed by a combination of two or three companies, who will get together not to serve the people of Canada but to skin them as they have always done in the past. If I am wrong about that, we are wasting a lot of time and money investigating combines and monopolies. A few weeks ago a new commissioner of combines was appointed. If I should happen to be talking through my hat in saying that the purpose of companies is to skin the people of the country, then why do we have to have all these safeguards?

I am somewhat at a loss as to why I am here.

An hon. Member: So are we.

Mr. MacInnis: I am equally at a loss as to why some of my fellow members from the province of British Columbia sought election to the house. I put their statements made on the public platform and in their newspaper advertisements, when seeking election, against the statements they have made in connection with this measure, and they do not seem to jibe at all. The bill under discussion is one to incorporate the Alberta Natural Gas Company, and the proposed motion of the hon. member for Vancouver-Burrard (Mr. MacDougall) that the question be now put. My understanding of the rules of the house is that there is only one reason for moving "that the question be now put", namely, to obviate any amendment being proposed to the measure. So far as debate is

concerned, it does not limit debate at all. It really extends the debate because there can be a new debate on the previous question. So amendments were moved to this and the other bill in order to prevent the moving of an amendment such as we proposed to similar bills last year. I shall read the one I moved, which is at page 2103 of *Hansard* for November 22, 1949:

> That Bill No. 119 be not now read a second time but that it be resolved that in the opinion of this house further consideration of this bill should be deferred until the house has been assured that the route of any pipe line built by the proposed company will be laid out so as to serve Canadian requirements before any such pipe line leaves Canadian soil.

That is my position today in regard to this pipe line, as it was my position last December when I moved the above amendment. When speaking in the debate on this bill on March 7 the hon. member for Vancouver-Burrard (Mr. MacDougall) said at page 540 of *Hansard*:

> The bill does not authorize the building of a pipe line. Even if a charter is granted to the company there is no assurance whatsoever that it will ever build a line.

If it will never build a line it can neither be a monopoly nor operate in opposition to a monopoly.

> It would be impractical for it to do so without first having a permit from the government of Alberta to remove gas from that province. It would also require the assurance of an export permit from the Department of Trade and Commerce before it could export any gas from Canada.

Let us be quite clear on what is proposed to be done by this bill, because we aim to do something; and what we do will carry some implications. We are creating an entity that will have the powers we give it to do certain things. If that is the case, surely we are not going to create an entity and let it run wild. We are creating a company, a corporate body, for the purpose of building a pipe line; and this parliament has a right to say where that pipe line should be built. Surely this parliament is supreme in this matter. If we cannot say where a pipe line must be built, who has authority to say so?

That brings me to another statement made by the hon. member for Vancouver-Burrard in the same speech, he said:

> I think we are entitled to assume that before permits are granted by the authorities concerned the interests of the citizens of Alberta and of Canada as a whole will be protected.

The authorities concerned are the Department of Trade and Commerce, the authorities in the province of Alberta and the board of transport commissioners. What right has the hon. member to assume that the authorities in Alberta, the Department of Trade and Commerce and the board of transport commissioners will do what he has refused to do, that is, protect the interests of the people of British Columbia? That is not what he was elected for. He was elected from British Columbia to protect the interests of that province, and of course the interests of Canada as a whole; and if he does not fulfil that trust I do not think he has any right to assume that someone else will do it for him. As a matter of fact the people of British Columbia are beginning to realize that something is wrong. I rather regretted that in his excellent speech the hon. member for Skeena (Mr. Applewhaite) took the position that everyone who did not think as he did on this matter was either hysterical or not seeing things straight. I am not suffering from hysterics or confusion of thought in this matter. If there is any reason for electing us as members of parliament, if there is any reason for paying us our indemnities, it is to look after the interests of Canada, and to do it without offence and without discrimination against any other people or any other country. It is not only a right, as the hon. member for Rosetown-Biggar (Mr. Coldwell) reminds me; it is a duty.

Then the hon. member for Skeena went on to say that the administration of the act rested with the transport board. I submit that the question of where the pipe line shall go is not a matter of administration at all. It is a matter of direction, which the board of transport commissioners, as a body created by the government of Canada and taking its authority from the parliament of Canada, should be expected to accept. Referring to the danger of creating a monopoly I see no danger at all. The sale of gas in the province of Alberta is under the authority of the Alberta natural gas board; and when the gas reaches British Columbia it will be under the authority of the public utilities commission, which has authority to set rates. As a matter of fact we learned long ago, though perhaps not as well as we should, that we can no longer leave matters of this kind to the unchecked action of owners.

The point was also made by the hon. member for Skeena that if we gave a permit for the export of gas to the United States and it was found that such export prejudiced or jeopardized the interests of the Canadian people, the permit could be cancelled. There is only one way to protect the people of Canada; that is to make sure the permit is not issued until after the needs of the Canadian people have been met. Let us see just what would happen if we permitted the construction of a pipe line which would serve United States cities first and then come into British Columbia to serve Vancouver. In what possible way could an export permit

be cancelled? We know the charges that would be made both here and in the United States alleging discrimination if any such action were attempted.

I agree with the hon. member for Skeena that there has been a great deal of repetition in this debate. I think he also referred to vagueness. I agree that there has been an enormous amount of vagueness as well, particularly from the supporters of the bill. But I think the time has come when we should have a vote in this house so that hon. members will decide whether Canada shall have the first opportunity of using a valuable Canadian resource, and developing it in the interests of the Canadian people. We have paid out hundreds of millions of dollars to bring immigrants from all parts of the world to this country, only to find that, because of the greater opportunities in the United States, they left here, along with large numbers of our Canadian-born citizens. Are we going to overlook one of the best opportunities we have had in half a century to keep our own people here, as well as the people who came to our shores to start their lives anew? We should make sure before we grant this charter that we shall know where the pipe line is going to be built; and that it will be built to serve the interests of the Canadian people first.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, it was quite some time before I decided I should indulge in the privilege of joining in this debate. It was more or less a private fight until recently, but now it has become a public one. I feel that even those members who live in the eastern part of the country might join also in this debate. It is the duty of every hon. member who has to vote on this important measure not only to participate in the debate, but to give serious consideration to the whole matter.

I believe this is a continuation of a matter that was discussed during the greater part of the last session, and it would appear as though it might continue through the greater part of this session as well. Of course, that is a matter entirely within the province of the members of the house. I have been trying to ascertain what the trouble is in arriving at a decision on this subject. I have endeavoured to listen carefully to the pros and cons, in order to form my own conclusion. I do not think it likely, Mr. Speaker, that we are going to have a pipe line built to Newfoundland, but it could very well be because no route has been decided upon as yet.

An hon. Member: There is a lot of gas down there anyway.

[Mr. MacInnis.]

Mr. Higgins: I agree with that. I take it as a compliment. We could export a lot of natural gas, but I do not think it could be used for power—although it might be illuminating gas for some people.

The measure, Mr. Speaker, seemed to be more or less a private matter between the sponsor and certain members from the west coast. Some time during the closing hours of the last session, however, the Minister of Trade and Commerce (Mr. Howe) took it upon himself to more or less threaten the members of this house, as I recall. Either they agreed to have this measure passed shortly, or else it was going to be put forward as a government measure. He charged that hon. members of the C.C.F. party were running a filibuster. According to my recollection the members of that party were entirely innocent at that time, since only one member of that party had spoken. Whoever was running the filibuster, it certainly was not that party. It is rather hard that, at that time, these people should be given the honour of running a filibuster which they really had not undertaken at all. I do not know where the filibuster came in. I believe it was only members seeking information which was not forthcoming, information which the minister told us bluntly we were not going to get. I think that is what started the trouble. I do not think we would have had one-quarter the number of speakers had that threat not been made.

An hon. Member: Dictatorship.

Mr. Higgins: Definitely. Certainly, I would never have thought of speaking except for that powerful threat. The people from that part of the country which is now almost the maritimes, but not quite, are extremely independent. I am sure that if any hon. member from Newfoundland were threatened by anybody, no matter how austere a personage he might be, that member would not cringe. He would endeavour to give back as good as he got, and that is all we are trying to do. Even that, Mr. Speaker, is hardly answering the question very well.

I suppose the real matter before the house is whether or not the members are going to agree to this measure. I feel that most members are in accord with the idea of a pipe line. They want the natural resources of the country developed to the highest possible extent. They realize, as do all thinking men, that unless the natural resources of the country are developed to the fullest possible extent the economy of the country cannot prosper or be on a safe and sound basis. What is it these members on this side of the house

want? We have heard various expressions, Mr. Speaker, about people who are trying to stop this measure, but what do these members really want? They only want to be safeguarded. The members on this side of the house, indeed all hon. members who are brave enough to withstand the ire of the Minister of Trade and Commerce, and be independent, only ask that the needs of the Canadian people be served first. They are not trying to stop the company being formed. They are not trying to stop any company being formed. As my leader so well said, they want Canada put first; no more than that. You can export all the gas you want, provided the needs of the Canadian people are served first.

I must confess that the other day when I heard the Minister of Trade and Commerce make his statement I felt quite reassured. I am referring to the statement found on page 791 of *Hansard* of March 16. It was a reply to a question asked by the hon. member for Yorkton (Mr. Stewart) on the orders of the day. It reads as follows:

I should like to direct the following questions to the Minister of Trade and Commerce. Have any representations been made to him by the C.C.F. government of Saskatchewan with regard to protecting Saskatchewan so far as export of oil and gas from Alberta is concerned? What is the policy of the minister with regard to the granting of permits for pipe lines from Alberta to the United States?

When I first heard the answer given by the Minister of Trade and Commerce, and when I read his answer in *Hansard*, in my rather simple way I was quite content that everything was, as we say colloquially, "hunky-dory", because this is what the minister said:

The answer to the first question—

That is the question with respect to representations from the C.C.F. government.

—is that I have no knowledge of any representations from the province of Saskatchewan in that connection.

And here is the particular statement that I refer to especially and that I say satisfied me in my own mind at that time. This is what the minister said:

In answer to the second question I would say that I spoke on this subject at the last session of parliament, and pointed out that the Electricity and Fluid Exportation Act is designed to protect Canadian consumers. It is necessary under the act for the Minister of Trade and Commerce to give a certificate to the effect that the present and foreseeable future needs of Canada are protected before any exports of electricity or gas are permitted. It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export.

Then the hon. member for Calgary West (Mr. Smith) made an interjection. The quotation continues:

Mr. Smith (Calgary West): I know from discussions—

Mr. Howe: Sit down; you have said enough on this subject.

Mr. Smith (Calgary West): —that just the opposite has been said.

As I say, Mr. Speaker, in my simple way I believed that the answer given by the Minister of Trade and Commerce (Mr. Howe) was quite satisfactory, that it answered any doubts that I might have in my little mind and should answer the doubts of other hon. members. But then on March 17, of all days—

Mr. Knowles: That is the day he could be different.

An hon. Member: What is wrong with that day?

Mr. Higgins: It is an awful day for people not to be telling the truth, the whole truth and nothing but the truth. But as reported at page 850 of *Hansard*, on March 17, we have a question directed to the minister by the hon. member for Fraser Valley (Mr. Cruickshank). As I say, I am reading this deliberately, Mr. Speaker, in order to try to explain to you why my doubts have not been resolved by any statements made by the minister two days before. This is the question:

Mr. G. A. Cruickshank (Fraser Valley): I should like to direct a question to the Minister of Trade and Commerce. I was not in the house yesterday when the orders of the day were called, but I note the minister is reported on page 792 of *Hansard* as having said:

"It has been suggested frequently in the current debate that gas will be sent to the United States from the pipe line before the pipe line reaches Vancouver. I stated last session that that would not be permitted. I know from discussions with the sponsors of the pipe line that it is not proposed to undertake any such export."

That is a citation from the citation I gave a short while ago. The question by the hon. member for Fraser Valley continues as follows:

Am I to understand from that statement that no export permit will be granted other than through an all-Canadian route?

That is a direct question, Mr. Speaker, and requires a direct answer. It is impossible to evade the question if the Minister of Trade and Commerce wanted to give the answer in a direct fashion. What did the minister say in answer to that direct and specific question? This is what he said:

Several members of the house have given information that they obtained from the principals behind the bill, and I have given information that I obtained from the principals behind the bill. I might say that I cannot understand the unnatural fear that certain hon. members have of letting these

men come before a committee of the house where members of the house could find out what they intend to do.

Then the hon. member for Fraser Valley stated as follows:

I take it the minister is not going to answer my question. Is that correct?

And there is no further answer recorded. What, then, are we to understand by that position, Mr. Speaker? We have, as I say, what I in my way understood to be a direct statement by the minister to the effect that the rights of the Canadian people were going to be protected. That was a definite and clear statement. Yet when the question is put formally and forcibly to the minister, what does he do? Does he answer it? Does he make a statement and say yes or no? No, he does not answer it at all. In other words, it is a direct evasion by the minister. How can hon. members of this house vote on a measure such as this when we have this kind of attitude on the part of the minister responsible, when he tells us in one breath, "Yes, you may go ahead and vote safely on this and I will see that the people of Canada are protected", and then when one of his own party members asks him for a direct and deliberate statement, he refuses to give it. I therefore say to you in all sincerity, Mr. Speaker, that it is not fair to ask hon. members of this house to vote on such a measure, in which even the members of the party proposing it themselves have not faith. I may be reading that wrongly, but I think not.

It has been suggested that this measure is being interfered with and that there has been a filibuster for reasons of selfishness. When you think of the matter, Mr. Speaker, all you have to do is merely to look again at the people who are asking that they be protected. I refer now to the legislature of British Columbia. I believe the legislature of British Columbia is made up of three parties: representatives of the Liberal party, representatives of the C.C.F. party and representatives of our own party, the Progressive Conservative party.

Mr. Knowles: You have been swallowed up in the coalition.

Mr. Higgins: Yes, I believe it is a coalition. I do not know who did the swallowing. It might have been Jonah or the whale. Who was it? Whoever swallowed whom, the whale has spoken in the matter, the whale being the legislature of British Columbia, and it specifically makes recommendations that I think this parliament should not do anything else but follow. I am referring again to those resolutions quoted at page 875; because, after all, the legislature of British Columbia is vitally interested in this matter. This particular resolution was quoted at page 875 by the hon. member for Kamloops (Mr. Fulton); and I do not think it will do any harm to any member of this house to hear it read again, particularly hon. members from British Columbia. It is as follows:

Whereas there are strong indications that a great potential of both petroleum and natural gas exists in the northeastern section of British Columbia:

And whereas exploration is presently taking place to ascertain the extent and value of these resources:

And whereas it would be a further incentive to greater and more intensive exploration if an outlet to market of these commodities was available:

And whereas proposals are now being considered for the construction of gas and petroleum pipe lines from available supplies in Alberta to Vancouver and the Pacific coast states of the United States:

And whereas, in the opinion of many members of the legislature the requirements of Canadians in this connection would be a matter of first consideration:

And whereas the industrial development of the interior of British Columbia as well as the Vancouver and Fraser valley areas would be greatly stimulated by the construction of oil and natural gas pipe lines from Alberta and northeastern British Columbia through the interior of British Columbia to the Pacific coast:

And whereas, if the proposed northern route is followed, many millions of dollars will be spent in British Columbia in the construction of the lines with consequent employment of thousands of our citizens:

Therefore be it resolved, that the legislative assembly of the province of British Columiba urge upon the federal and provincial authorities concerned the advisability in the interests not only of British Columbia but of Canada as well that such pipe lines be constructed through the Yellowhead pass and thence through the interior of British Columbia to Vancouver, with provision for the extension of the line to the Peace river block so that when sufficient supplies of petroleum and natural gas are available in that area there will be an available outlet to market without unnecessary delay.

This is a resolution of the province of British Columbia. I understand that municipalities in the interior of British Columbia have passed resolutions. In his speech the other day the hon. member for Kamloops (Mr. Fulton) mentioned that fact. These are responsible bodies, Mr. Speaker. No suggestion of selfishness can be levelled at them. These are Canadian people. These are people whose only interest is the serving of Canada and Canadian people first.

I listened with great interest to the hon. member for Skeena (Mr. Applewhaite). He spoke, as he always does, in a very acceptable manner. From the applause which he received from the other side of the house on the proposition he made it would appear that there was common agreement upon it. That was my understanding, and I took down his words. He said: "Every hon. member on this side of the house would be satisfied to support this motion for an all-Canadian route if it could be shown to be economically feasible and possible." I understood that that remark

received the approbation of all hon. members on the opposite side of the house. If it could be shown to hon. members that it is economically possible to have an all-Canadian pipe line they would insist on an all-Canadian route being constructed.

I should like hon. members to follow me for a short time. I understand that the oil body from which the gas is to come is the same oil body and the same gas body that the Westcoast Transmission Company, which was incorporated last year, is working on. The Westcoast Transmission Company have made application for an all-Canadian route. I should like to quote from a brief entitled: "Natural Gas in Alberta and British Columbia and its Development for the benefit of Canada". At page 15, and referring to this particular proposed pipe line of the Westcoast Transmission Company from the same body of gas, they say:

> Westcoast Transmission Company Limited is the only company which has consistently sponsored an all-Canadian route to take gas to the Pacific coast. The route now chosen for the main transmission line from Edmonton through the Yellowhead pass to Vancouver is the shortest line from the approximate geographical centre of Alberta to Vancouver. The pass through the mountains is one of the lowest and most easily traversed. The only other mountainous terrain is through the coast range where the line will follow the new Hope-Princeton highway.
>
> The entire length of the line has been inspected most minutely by the firm of Ford, Bacon and Davis, Incorporated, of New York, one of the largest oil and gas pipe line engineering firms in the world. Their report, which will be filed with the conservation board, shows the route of the line to be completely practical and economical in all respects.

Then on page 16 we find the following:

> Plans for a pipe line to take oil to tidewater for the Pacific coast market from the Edmonton area, Normandville, Stettler and the large potential Peace river country of both Alberta and British Columbia, following the route of the gas pipe line are far advanced. Westcoast Transmission Company, whose charter provides for the transportation of oil as well as gas, has already had Ford, Bacon and Davis complete the preliminary engineering and design for the oil pipe line from Edmonton to Vancouver following exactly the same route as the gas line.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Higgins: Mr. Speaker, before the adjournment I had proved to myself with complete satisfaction that an all-Canadian route for this pipe line was entirely feasible and practical, but I cannot say how many other hon. members I convinced. Having the presumption to make such a statement, I also quote as an authority the well-known and highly respected firm of Ford, Bacon and Davis Incorporated of New York, the largest pipe-line company in the world.

At the request of the Westcoast Transmission Company Limited this company made a survey of an all-Canadian route for a pipe line to transport gas from the same natural gas fields which the company now seeking incorporation would serve. They reported that the proposal was entirely feasible and sound in every respect.

That being so, there is an entirely different angle that I want to address myself to in the short time I have left. As I said earlier this afternoon, there was nothing selfish in the stand taken by the opposition, but there may be a selfish angle in another phase of this matter that I should like to stress.

Bell island is the main source of iron ore for the Dominion Iron and Steel Company at Sydney, and, of course, steel is manufactured from this iron ore. There are about 10,000 people in the town of Wabana and because of present world conditions more than half those people are affected by the reduction in the staff at the mine, which is the largest iron ore mine in the British empire. Men who have worked upwards of thirty years have been discharged and the only recourse they have is to accept the miserable pittance of unemployment insurance.

The selfish angle to this matter is this: It is estimated by the Westcoast Transmission Company that it will cost approximately $100 million to construct the proposed pipe line, and I would assume that a large part of that would be for the steel pipe. If a large order for steel were placed with Dosco, not only would it help out the constituency of the hon. member for Cape Breton South (Mr. Gillis); it would help out my own riding where Bell island is located. In addition to Dosco, there are two other large steel companies in Canada, the Steel Company of Canada and the Algoma Steel Company.

There is no reason that I can see why a provision could not be inserted in this bill that Canadian steel be used for the construction of this pipe line. It might be interesting to hon. members to know that the act empowering a company to operate the ore body in Labrador close to the Quebec border contains a provision that Newfoundland labour shall be employed if available. There is no reason at all why a similar provision should not be inserted in this bill. If that were done, imagine the employment that would be created. Imagine the value it would mean to all Canada.

As I said before, the practicability of a pipe line going through Canada to the United States has been proved satisfactorily to a lot

of people. A great number of communities in Alberta and British Columbia would be served and it would not in any way affect the places at the end of the line or interfere with the object the sponsor of this bill has in mind, the sale of gas to the United States.

It may mean a longer pipe line, but that means more money to be expended in Canada and more Canadian labour to be used. Ultimately it will mean a greater number of United States dollars to be spent at the end of the line because I presume the gas would cost a little more.

Mr. Harkness: $14,500,000 a year.

Mr. Higgins: The hon. member for Calgary East (Mr. Harkness) says $14,500,000 a year. To use what may be considered an impolite expression that could be borrowed from the United States, "That ain't hay." My leader enunciated very well this afternoon the principle of Canada first, and that perhaps covers the whole field. But in particular, employment would be given, Canadian steel would be used and there would be a greater return of United States dollars.

No hon. member wants to be named at some later period as having been a mere rubber stamp, as some of us unfortunately have been told already we are. Nobody wants to be called that. As no particular and useful purpose will be served, so far as I can see, by granting permission to the company now making application in this form, I am quite satisfied that no wrong will be done to it or to any other companies if the matter is delayed until we have the necessary undertaking. Remember, as I said earlier, all that hon. members on this side of the house want is an assurance from the Minister of Trade and Commerce (Mr. Howe) that the pipe line will go through Canadian territory. I should also like to hear something about the use of Canadian steel. I should like to endorse that myself, but I will not make a point of it. If he will give us a guarantee that the pipe line will go through Canadian territory then, so far as I am concerned, I will not vote against the measure.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, the discussions on these various pipe lines have now been continuing for some time. While I have listened to them with a great deal of interest on occasion, this is the first time I have risen to participate in any debate on the matter. I felt I should do so because of the fact that my colleagues and I are in complete agreement with regard to this question. When we look back over the history of Canada ever since and even before confederation, and read the parliamentary records and debates of other days, we are struck by the fact that at times parliament has not given sufficient care to the alienation and utilization of our great resources.

A short time ago reference was made to railways. I remember the manner in which many of the railway charters went through this house, apparently guaranteed by the men who were asking for them, but ultimately they proved to be to the advantage of small groups of people, and did not always inure to the welfare of the great masses of the people of the country or of the country itself. In recent years we have discovered in Canada, and particularly in the province of Alberta, one of the world's great resources, oil. It is just over forty years ago since I went to a district in Alberta not very far from where this great oil field has now been discovered. I stayed with a small rancher between Wetaskiwin and Camrose for sixteen months. I remember riding over the prairies with him, and particularly down into the Battle river valley. Having lived in California and Oklahoma, he would often say to me that one day a large field of oil would be discovered in that vicinity. I paid very little attention to his prophecy.

Some nine or ten years ago—and I remarked about it in the house afterwards—I heard the Arctic explorer, Stefansson, say at a luncheon, at which the hon. member for Vancouver-Quadra (Mr. Green) was also present, that probably the largest oil field in the world would be discovered somewhere in northern Alberta. Again most of us paid little attention to his prediction. A great field of oil has been discovered, and it seems to me that this House of Commons must consider how and where the oil and gas shall be utilized. If I may say so, I also remember that a few years ago, when gas was being burned wastefully in the Turner valley, we were told that there was a sufficient amount of gas being burned every day to heat every home in the province of Alberta. Now there is this very valuable oil and gas discovery in the province of Alberta in far greater quantity than anything that we dreamed of a few years ago.

It seems to me, when an application is made to the house for the piping of gas or oil from the field elsewhere, it is one of the duties of hon. members to see to it that the utilization of the gas and oil is considered from the point of view of the greatest good first of all to our own country. I do not believe that we should ever behave as narrowly nationalist, or that we should try to build a wall around the country in order to make Canada self-sufficient, but nevertheless

I believe we owe it not only to this generation, but also to generations to come after us, to see that the people of Canada derive the maximum benefit from the resources that Providence deposited in this land in ages gone by. Because of that, I am supporting those who are urging that, before we give assent to this application for a charter, before we pass the bill which gives this company very substantial rights, we should be informed before we cast our votes as to how the people of Canada are to be protected, and how this great resource is to be utilized in the public interest. In other words, I think we have a perfect right to have placed before us a definite statement that the pipe line will pass through Canadian territory, that Vancouver and the Canadian towns and cities between it and the field shall receive first consideration from this parliament rather than that Vancouver, that great Canadian city, should be served at the end of a pipe line after several places in the United States have been taken care of.

After all, this House of Commons represents the Canadian people, and if we as members are sent here to do any one thing it is to protect the interests of the people of Canada. It seems to me that we not only have a right, as was said this afternoon, but we also have a duty to perform in that respect. I do not think the House of Commons will be doing its duty if it fails to continue to ask, until we get it, for a definite statement as to the route that the line will take if we grant the charter. I do not think that hon. members should vote on the bill without making doubly sure that the interests of the people of western Canada are properly and adequately protected. When one looks at the measure and realizes how comprehensive a charter would be given under the legislation, one begins to understand the importance of the bill now before us. The company may do many things. It may build pipe lines for the transportation of oil and the movement of gas; it may construct, purchase, lease, or what you will, property within or outside Canada for its purposes. It may do almost any conceivable thing than can be done under legislation. Such a measure, conferring such tremendous power upon a company, should require the most careful consideration of every hon. member of this house.

I do not think we should do what was sometimes done in the past; that is, put through a bill of this description without knowing precisely what is involved. Last year, because we heard there was some urgency in the matter, we passed an oil pipeline bill. After it was all over and done with we found that the pipe line was not going to convey oil to a Canadian lake port but was going to transport it to Superior, Wisconsin. Of course there was a great deal of protest by Canadians not only in western Canada but in all parts of the country. As a matter of fact, when subsequently we came to see where that line was going we found that while it went from the oil field to Regina, it entirely cut out the largest of our prairie cities, Winnipeg, and crossed the border to the southeast of that city. So if it should become desirable to build a refinery of any sort there it would necessitate a feeder line from the main line to the city of Winnipeg.

We should have known before we approved that line what route it was going to follow, and where the terminus would be; but the house was urged to pass the legislation because we were told there was a certain amount of urgency in the matter, and I am quite free to confess that I thought there was considerable urgency. In yielding to that plea I do not think any of us gave that measure the consideration that should be expected of us in this House of Commons, both individually and collectively. I do not propose to agree to a similar error at this time, Mr. Speaker. I hope a large number of hon. members will not agree to its repetition, for error it was, and error it will be if we adopt this bill without knowing the route the line will follow.

Then, too, how do we know that when we grant this charter to the people who are named as applying for it, they are actually the people who are going to carry out the undertaking? I notice that in the bill introduced this year, instead of the two names there were in the bill introduced last session there are now several. Last year we had two legal gentlemen, I am told of very good repute, though I do not know either of them, applying for the charter. It was quite obvious that they were applying on behalf of clients; and even today, with the more impressive number of names in the bill under discussion, we cannot be sure that these are the directors or officers of the company who ultimately, if this charter is granted, will carry out its provisions. I believe that is another point we should consider and endeavour to find another way in which we should try to protect the people of the country. Again, if I may say so, in days gone by charters were obtained which were used as sources of great profit to those obtaining them. Those who received the charters did not carry out the work, but turned them over at some very considerable profit without doing anything except get the charter through the House of Commons or, in some instances, through a provincial legislature. A few days ago I was looking up the records in connection with the granting of railway charters some years ago. One finds millions of dollars made

by persons who obtained the right to construct, and then turned over the undertaking to someone else. We should be assured that this is not going to happen in the case of these pipe lines, and particularly in the case of the bill now before us.

Consequently I repeat that before we grant this charter, before we pass this bill, we should know far more about this measure than we know at the present time. I know that men who have sat in this chamber over the years, men of different parties, on occasion have warned this house to be careful about this sort of thing. I have before me a quotation I copied some few years ago, and I thought of it this evening. It is from *Hansard* of May 18, 1932, when Right Hon. R. B. Bennett was prime minister. He was speaking in the house on another matter, but along somewhat similar lines, and at page 3036 he said:

> I believe that there is no government in Canada that does not regret today that it has parted with some of these natural resources for considerations wholly inadequate and on terms that do not reflect the principle under which the crown holds the natural resources in trust for all the people.

It seems to me that is apropos of this discussion. We are not alienating a resource under this legislation, but we are facilitating the disposal of a resource that we should be treating as a trust on behalf of all the people. So I say we should not pass this bill until we have answers to the questions that have been asked over and over again, not only by hon. members on this side of the house but also by hon. gentlemen sitting on the government side, as to what this proposal really is, where the line is going, and how oil or gas or whatever it may be will be disposed of when this line is built.

I said a few moments ago that this country has great resources. During the last parliament we granted a company the right to build a railway to give access to great deposits of iron ore in the province of Quebec and in Labrador. I do not think we should pursue a dog-in-the-manger attitude regarding the development of these resources. Only a few days ago I was talking to some people in the United States about these great resources. Apparently the hope is that much of this iron ore, to which we gave access by the granting of a railway charter, will be moved from our country down into the New England states, where smelters and a new iron and steel industry will be established. Yet we have in our own country, as the member for St. John's East (Mr. Higgins) pointed out a few moments ago, an iron and steel industry established on Cape Breton island. In that region at the moment there are a great many unemployed. Almost continuously during the 15 years I have been in this House of Commons, except for a brief period during the war, there has been unemployment in that area of Canada. I believe we have to consider how we can utilize these resources, primarily for the benefit of the people in the country in which those resources are located. The first thing is not to allow these resources to be used without regard for the benefit of our own country.

We should consider that we in Canada today are, in a great many respects, hewers of wood and drawers of water for our great neighbour to the south. Many of our resources, timber, pulp, ore of various types, and so on, move across the border for manufacture. To some extent, the finished product comes back to this country, and rather complicates our dollar situation with the United States. I think that is regrettable. I do not think we can stop it by legislation. I believe that if this parliament, and the provincial legislatures, considered these matters from the point of view of the public interest, ways and means could be devised by which native industries could use more of these raw materials in Canada. This would make us more independent economically, and assist us in building up a more prosperous country. It would afford opportunities for inviting more people here by way of immigration, and prevent the constant flow of young people from this country to the United States.

I was in one of the seaboard cities in the United States last Saturday, and I was surprised at the number of young Canadians I met on that visit. Some of them were from western Canada, some from Montreal, and others from various parts of this dominion. True, they were studying in the United States, but on chatting with them I found that several of them contemplated remaining in the United States, because they considered the opportunities greater in that country than in Canada. Every time we do the thing that is implicit in this bill, allow a company to take our natural resources and utilize them outside our border when they could be utilized inside, we are encouraging the flow of young Canadians out of this country. We are denying them the opportunities that should exist in the country in which they live. After all, we have to remember that we have an obligation to future generations to conserve these resources.

I suppose every member of the house knows that over the last 50 or 60 years the resources of the United States have been steadily depleted. One has only to drive through Minnesota and Wisconsin and see how the great open iron mines of these two states are running out to realize the truth of what I

say. We have an obligation to conserve our resources to the extent that may be necessary for the welfare of our country. We do not know just exactly what is going to be done with a charter of this description. I say, Mr. Speaker, that we have no right to pass this bill without making further inquiries, and demanding of the sponsors a more complete outline of what it is proposed to do than we have yet received from anyone, including the ministers who are supporting this bill.

So then we have to make the decision. I repeat that I believe the decision we should make is that we will not pass this bill until we have the information for which we have asked, and which has been sought during the last few weeks. The conservation of gas and oil is undertaken primarily by the provinces. If there is a great surplus which could be utilized elsewhere, then I submit that the province of Alberta, and the people interested in pipe lines, might look to the east of the province of Alberta if they will not look west. Some of this gas could be utilized for the heating of the homes in the neighbouring provinces. As I said earlier in my remarks this evening, I was told some years ago that the gas which was burned wastefully in the province of Alberta would heat every home in that province, so today it would be quite easy to utilize quantities of gas not needed in the province of Alberta to heat the homes in the neighbouring provinces of Manitoba and Saskatchewan. With the intensely cold climate of those provinces, it would be a godsend to many of the people who live there.

A pipe line going south into the United States, to Spokane and Seattle, perhaps as suggested this afternoon even going down into the state of Oregon, would leave the Canadian communities in the interior of British Columbia, even the cities of Vancouver and New Westminster, either without gas or at the end of the line, and with a problematical instead of an assured service. Again I say that if we are going to allow a company to build a line of this description, we should see to it that it is built to the greatest possible advantage of the people of our own country.

The hon. member for St. John's East (Mr. Higgins) just now introduced the matter of unemployment in another form. He spoke of the miles of pipe line that would be necessary in a project of this description. I do not know where the pipes would be obtained, but I do know that a few years ago, when it was proposed to bring gas from another field into some of the prairie cities, the pipes were going to be brought in from some of the United States iron and steel centres.

Mr. Knight: These are coming from Wisconsin.

Mr. Coldwell: The hon. member for Saskatoon (Mr. Knight) says these are coming from Wisconsin. I have not that information; but I am sure that if we allow this pipe line to pass out of our country and through the United States, the labour required, both in making the cut and in manufacturing the pipe as well as in the laying of the pipe, would be undertaken in the United States and not in our own country. Again I say, as the hon. member for St. John's East said a few minutes ago, that there is unemployment in at least one part of Canada where there is a steel industry; and even if it were working at the full at the present time, there is no guarantee that in a short time there would not be unemployment and the need for that kind of work in that particular area. After all, with the dollar situation the way it is across the seas, the market for Nova Scotia steel in the United Kingdom is likely to be curtailed sharply for some time to come; and anything that can be done to provide work for the people of our own country and those engaged in Canadian steel mills should be done by this parliament. That is of course another reason why, before we vote on this bill, we should first know just exactly the route that this line is going to follow. I repeat what I have said several times in the course of my remarks, namely, that until we know the route that this line will follow we should not approve this particular bill nor indeed the other bill which is on the order paper with it and which will come before us after we have disposed of this one.

We in this house have a duty to perform. Those of us who are opposing the passage of this bill and are speaking against it are not engaged in a filibuster. I had not spoken on the matter until tonight, but my colleagues were accused of being engaged in some sort of filibuster. There is no filibuster about this.

Some hon. Members: Oh, oh.

Mr. Coldwell: I am going to repeat that statement. There is no filibuster about it.

Some hon. Members: Oh, oh.

Mr. Coldwell: But I will tell you what there is. On the part of a large number of members on this side of the house there is a determination that we are going to do everything we can to prevent this bill from going through until we know what the bill is all about; and that is all there is to it. That is not a filibuster. This, my friends, is an attempt on the part of an opposition—because apparently this has become a government bill—to fulfil the duty and the function of an opposition, which is to get the facts before the people of this country and to have all the facts before allowing the government to take the next step.

Some hon. Members: Oh, oh.

Mr. Coldwell: Oh, I know that there may be laughter at that kind of thing. But let me say this. In a house of this description, with the overwhelming majority that is behind the government, the only method open to the opposition is to endeavour to force the issue and to get the facts in the best manner that we can get them.

The other day I was reading an interesting book, which I might just quote from memory, dealing with the British parliamentary institution. The writer said that responsible government required that a government should always live in the shadow of defeat, and that the most dangerous thing under our parliamentary system was for a government to remain in power so long that it got the idea that it had permanent power. If you apply that statement to the present situation in this House of Commons you begin to see the reason behind some of the things that have been done over the past number of weeks or months. If we can help it, we do not propose that this bill shall go through until this house is properly informed about it. Who are the people that want to build the line? How is it going to be financed? Is this project going to be really undertaken by the people who are asking for it or is the proposed charter going to be turned over to somebody else at a profit later on? Where is this line going to be built? What is its route? Is it going through Canada or is it going south through the United States? Is it going to serve Canadian communities first, including Vancouver, or will Vancouver and other Canadian communities in British Columbia be at the end of the line to take what is left after the cities on the other side of the boundary have been first served?

For the reasons I have given, Mr. Speaker, I therefore propose to cast my vote—and I hope the matter will come to a vote—against this bill, because I believe that I owe it as a duty to the people of this country to protect their interests and to see to it that this house does not approve an application for a charter until we know what that charter involves and, in this instance, how the line is going to convey this valuable resource from one place to another.

Mr. J. H. Ferguson (Simcoe North): On this occasion, Mr. Speaker, I rise to voice my opinion why this bill should not be passed. In the town of Collingwood in the county of Simcoe, where I reside, I have the great privilege of enjoying natural gas for heating water; and I must say that it is a terrific boon to anybody who has such an asset. I can remember how delighted I was when I purchased the property and was informed that there was a natural gas well that would heat the water for my home at no cost whatever. It was a pleasure to me to hear of the abundant supply of natural gas that had been discovered in the province of Alberta. I am not very conversant with oil or natural gas wells, but I do realize that this House of Commons has been asked to pass a bill granting a charter to a group of men in order that they may be able to sell a natural product of the Dominion of Canada.

I was a resident of Philadelphia some years ago, and I remember the amalgamation of the Philadelphia Rapid Transit Company. It comprised several operating companies prior to the amalgamation and numerous charters that had been granted by the various governments in power over a period of fifty or sixty years. When these charters were granted by the state of Pennsylvania the representatives of the people at the time did not think, apparently, that it meant much. It was simply a piece of paper that some members of the legal profession were asking for on behalf of a client. These charters were obtained in the city of Philadelphia to run transportation lines up and down various streets. They did absolutely nothing with their charters. But when the people of Philadelphia wanted proper transportation facilities, and desired to run streetcar lines down certain streets in the city, they discovered to their consternation that charters had been granted for that purpose years before, and unless they paid fabulous sums for a charter they could not give the public the service to which they were entitled. These old charters were irrevocable. Before the people could obtain what they were entitled to, millions of dollars were paid for charters that had been granted by the governments of Pennsylvania without any more consideration than this government has given to the granting of this charter for the carriage of natural gas, an asset of the Dominion of Canada.

When we hear of people heating their homes with natural gas in this cold climate of ours for the paltry sum of $125 to $150 per year we should stop and think. We should ask ourselves, are we going to give away this asset to the United States of America?

Mr. Smith (Calgary West): That is $125 a year.

Mr. Ferguson: I remember my father saying to me forty years ago on Portage avenue in Winnipeg when they were digging the excavation for the Eaton store: "Son, when you are my age—" and I have reached that age now—"this country will have a population of 30 million." I have reached that age, and to my regret, and to the great regret of all Canadians, we have not a population of 30 million. We still pay $160 for washing

machines because we have a small market in which to sell them as compared with the United States price of $80. We all know of railroad men travelling across this country and coming to the border and handing their train over to United States engineers who receive far better remuneration than our engineers do. That applies to freight or passenger trains. I know that in my own town of Collingwood there are capable seamen who travel across the great lakes in boats of tonnage identical with that of boats which sail from Duluth, and carry the same commodities; yet our sailors receive far less money than the United States sailors. How much longer must that go on? Our resources are as great as those of the United States. Our work is as hard and our burden as heavy to carry, but our remuneration is far less than is received for the same work in the United States. I as a Canadian, and as a member of the House of Commons, must protest against the continual giving away of Canada's resources.

This afternoon I heard the hon. member for Skeena (Mr. Applewhaite) speak in a flippant manner regarding the assets of this country. He does not seem to realize what this resource means not only to Alberta but to Manitoba, Saskatchewan, Ontario and the remainder of our ten provinces. How delighted we were when Newfoundland became our tenth province. Do we want to have anything to give these people to work with? The desire seems to be to get the gas across the line as quickly as possible over the shortest possible route. I say to the members of the Liberal party from all over Canada, cease being rubber stamps and look into this situation. If we object to this, it is called a filibuster. When I as a Canadian born of three generations endeavour to save the resources of the Dominion of Canada it is called a filibuster. What are we sent here for? So far as this bill is concerned, 90 per cent of the men who fill the Liberal benches do not know what they are here for. Numbers of them have never voiced an opinion. Just a scant handful have said anything. Some person must have said to them, this is what you are going to do and nothing else. We have all heard the old saying that 50,000 Frenchmen can't be wrong, that there is a sucker born every minute, as Barnum said, and that the organ-grinder has more than one monkey on his string.

Do hon. members realize that natural gas is the greatest selling commodity now known to the industrial world? Do hon. members know that it is being transported 2,000 miles from its source in the United States? Do the Liberal members realize that this $100 million which is being spent on this pipe line is infinitesimal compared with the amounts being spent by pipe-line companies in the United States? Why, this is just a bagatelle. Do they realize that 13,500,000 people in the United States are now enjoying natural gas? And yet they want to put this pipe line down in the United States to feed the only part of that country which is not now enjoying natural gas. Why not put this pipe line into British Columbia? Why not let it serve Saskatchewan, that great and wonderful province? Why not let it serve Manitoba and Ontario? The distance from Fort William to the source of supply in Alberta is far less than from Houston, Texas, to New York.

We need it in Ontario not for selfish reasons but for the advancement of the people of this province so that Ontario can become more densely populated and its people will not have to go to the United States to receive better pay than they are now receiving. Let us build up this country of Canada in the way in which it can be built up. Let us stop giving away our resources as we have been doing. This is no filibuster. We are facing one of the most serious problems that has ever confronted the members of this House of Commons.

It is beyond belief when I hear a large industrialist from eastern Canada, who sits to the right in the House of Commons and who has made a few hundred thousand dollars out of industry, laugh loudly when the suggestion is made that our resources should be preserved for Canada. It is a pity that he could not see fit to get on his feet and urge this parliament to use a sane method in exercising its power to say, "No, we are responsible to the people for the protection of the resources and we will not grant this charter with the information we have before us."

What have we to vote on? We have lots not to vote on. We have simply an application whereby some barristers and solicitors of the Dominion of Canada ask for a charter to build a pipe line. Do we know what quantities of natural gas we will require in Canada? How thoroughly has the government studied the needs of this country, not five years from now but ten or twenty years from now? Have they considered it in the light of a proper program—something they have not thought of —of immigration to swell our population, a program that would permit people to come here and earn a living rather than to receive Marshall plan aid and the free gifts of Canada?

No, they will wait until we have lost our markets. They will wait until our farmers are back where they were in 1930 looking for some place to sell their products. They will

do that rather than encourage immigration which would help to use up our resources. We hear that $100 million is going to be spent in the United States to manufacture this steel pipe line. Surely there is some person in the government with a vestige of vision, with enough soul to say, "I am a Canadian and I am going to build up this country. We are not going to keep on being subservient to the United States and saying, 'Please, Mister, you put up $100 million and we will lend you a few workmen, we will garner in a few shekels and we will give you our birthright.' " Is there no man in the party to the right of the Speaker who feels as I feel, that this is important to Canada irrespective of what province you come from?

Surely there must be some of you who will say to the Minister of Trade and Commerce (Mr. Howe), "Wait a minute, I do not know enough about this. There must be something in what these fellows are saying." I venture to say that eighty per cent of the members of the Liberal party do not know what a natural gas well looks like, or what an oil well looks like. I will bet you that they have not spent five minutes in studying the great potentialities of the natural resources of Alberta.

The Progressive Conservative party, the C.C.F. and other members are questioning this charter. They want to know what the charter is going to give and what it is going to take away. They want to know what we are going to receive. They want to know what this will mean to the people of Alberta and Canada. When this pipe line is completed and gas is flowing down to the United States it will give those people an opportunity to operate their industries and produce at less than we can produce in Canada. What will be the loss to the government and the people of Alberta? It will be nothing compared with the gains of the people living in the United States who will be operating the industrial enterprises with the assistance of this gas. It will only strengthen their arm to continue to operate against Canada in producing at prices we cannot compete with. They will be paying their labour while our men will be walking the streets in a short time from now.

There are no signs on the part of the government of a slackening up in the granting of this charter. For some reason or other they want to push it through. No one here representing any group, apart from the chosen few of the Liberal party, has any right to read, study or worry on behalf of his constituents if they get up to voice their opinions. I am sure that there are members of the Liberal party who, if they were questioned about this situation and asked what they knew about it, would have to reply that they had made absolutely no study whatever. It is simply a case of, "Let us get it through because some person in our party has told us to rubber stamp it and that is what we are here for."

That is not what you are here for, gentlemen. You are here for the same purpose that I am here for. Irrespective of party you are here to watch the resources of your country. We are ten united provinces who should work as one. I want some information as to what is going to happen under this charter. This is the last rope by which I can hang on to our natural resources. This is the last rope by which you gentlemen can control this.

If this charter is granted, these people will go before a commission not made up of members of the House of Commons. When people vote for a candidate on election day they say, "I believe that man is honest; I believe that is the man I want at Ottawa. I do not think he will let them take any undiscovered or recently discovered natural resources away from the people of Canada. I think he will go down to Ottawa to look after our interests."

We have seen our pulpwood being sent to the United States to be manufactured into newsprint. For years newsprint produced in United States mills has been coming back to this country to be used in putting out our newspapers. We were printing our newspapers on United States paper manufactured by United States labour from the natural resources of Canada. Then thanks to a certain premier of Ontario this practice was stopped. He put his foot down and said, "That is as far as you can go; this pulp must be made into paper in the province of Ontario. If you want this paper, you Americans whom we love and respect, put up your paper plants in Ontario, employ Ontario labour and keep them off the breadline. We will give you all the pulp you want and you can sell the finished product back to your beloved United States."

The net result is that there are paper mills across northern Ontario and the rest of Canada that we are all exceedingly proud of. As we go through those mills we see pulp from our forests being churned up, manufactured into paper, rolled up and being tagged for the Chicago *Tribune*, the New York *Herald* and other newspapers. All this being made by Canadian labour.

This is a filibuster being put on by this side of the house, with few exceptions such as the hon. Liberal member for Fraser Valley (Mr. Cruickshank). He has every right to be proud of the fact that he got to his feet to speak. He is a veteran of the first war. He is a man who thinks of his people. Are there not some others who are men enough to get up and say, "I cannot vote by standing

on my feet for the passage of a charter when I know absolutely nothing of the way in which this charter is going to be used?" Who is going to use it? What is Canada going to get out of it? Surely members of the Liberal party coming from Ontario, as I do, can understand the plea of the members of the legislature of the province of British Columbia. Surely they can understand their point of view when they ask to have the pipe line go through their province, and then if there is anything left over by all means sell it south of the border. Surely members of the House of Commons of Canada must hearken to the pleas of the provincial government of British Columbia, the unanimous vote of their legislature, and the municipalities of that province.

I do not live there. In fact I almost froze there last August. You are here as members of the House of Commons of Canada but surely some small part of your hearing must be able to catch the voice of British Columbia. Members of their government and legislature have made a more thorough study of the question than ninety per cent of the Liberal members here tonight, during the day or at any other time. Do not be so generous with the other fellow's money when you vote, because it is really your money to protect also. Let me say that if any Liberal member of the House of Commons owned these resources he would be a little more careful about how he was going to use them and where they were going to be sent. He would want to know more about the future. That is your duty, and that is what you are here for. Make no bones about it.

The speeches of some Liberal members who have taken part in this debate will make lovely reading at the next election. Let me assure you that I intend to take the speech of the hon. member for Skeena (Mr. Applewhaite) and simply comment on it, and I will certainly be re-elected because my people will not stand for anybody giving away the resources of Canada as he wants to. I will be back for sure. We are just ordinary everyday businessmen with various vocations in life. Surely it would be an easy matter for the Minister of Trade and Commerce (Mr. Howe) to say that it is possible for him to produce further facts regarding this charter. Surely it would be easy for him in has capacity to enlighten even the Conservatives as to what additional cost would be involved if the pipe line went through the province of British Columbia rather than through the United States. At various times in the House of Commons he has referred so casually to millions of dollars as being a mere nothing. In fact he called them peanuts once. Surely he could say: Even if it does cost three or four million peanuts, let the boys in British Columbia have it their way. It is their natural resource, it is their province and it is their Canada.

If the founders of the Canadian Pacific Railway had listened in the early days to some of those who were advocating railroads in the west, you would never have had the Canadian Pacific Railway today running from coast to coast. There are members of the house who do not realize that. We stand back and point with pride to our two railroads paralleling one another from coast to coast, but when the idea of a transcontinental line was first conceived, there were members of parliament who said: Why not run the C.P.R. from the western provinces due south to the United States? Thus they would have isolated that section of Canada and impeded the growth which has certainly been fundamental in making the Canada we have today. The pioneers of the Canadian Pacific Railway have made it possible for us to say that as Canadians we are proud of the fact we are citizens of this great country and that we have inestimable natural resources.

At this time the people of the United States find that certain resources are becoming exhausted, and they are scratching their heads wondering where they will find the ore necessary to produce steel. They are willing to come to Canada, to Labrador, and to spend millions of dollars. It was announced in our papers recently that United States industrialists are going to spend millions of dollars on the development of Canadian resources. The development of Canada has only been made possible by men with vision, people who are now dead but who have given us the Canada that we have today. I make a solemn plea to the members of the Liberal party. They would do well to go to the minister and ask him to give them time to look into the situation. They need time because it will take a long while for some Liberals to get it through their heads what they are giving away. From their actions in the debate on this measure, undoubtedly they will have to go to the Minister of Trade and Commerce and ask his permission. There is no doubt about that.

No matter when the bill comes to a vote, let us hope that the slate is a little clearer and cleaner. Let us hope that the parliament of Canada will not grant such charters without any more thought than the bill received from many Liberal members who called for a vote before very many had had an opportunity to express their views on a matter which I believe is of the utmost importance and of the greatest value to the Dominion of Canada. I plead with them not to vote until

they know that history will not prove that they have given away a resource to the United States which at the present time is one of the greatest industries in that country. It has proven to be one of the greatest investments for investors.

Life insurance companies are spending hundreds of millions of dollars of their policyholders' money on the purchase of stock in gas pipe-line enterprises. Surely we should give the people of Canada a better opportunity and more time to learn about what is going on in Alberta. The average citizen of Ontario, Quebec, Newfoundland or Nova Scotia does not realize, any more than the Liberal members of the house, what a great new resource has been discovered in Alberta. Fortunately I was able to go out there last summer, and I had my eyes opened as to the tremendous potentialities of the new-found wealth of the Dominion of Canada. Each year we pay hundreds of millions of dollars for United States coal and oil.

What does it cost the people of Ontario to heat their homes with United States coal and oil? Do we know whether or not they can pipe oil and gas from Alberta and deliver it in Ontario at one-quarter the cost? We do not. It is the duty of this government, in looking after the welfare of the people of Canada, to ascertain those costs and find out what are the possibilities. If that cannot be done let them prove it to us, and show the people of Ontario that they must continue to spend millions of dollars for United States fuel and then watch it go up in smoke, while our people go on unemployment relief or go to the United States for jobs.

Let us stop somewhere. Let us populate the country. Let us build up this nation of ours. We are all very keen in saying we are a great nation. We were through the war. We made munitions, and did a great job. We promised our soldiers the world with a fence around it when they came back; and in some cases that has turned out to be the breadline. Here in this country, which is the last great undeveloped source of wealth, what great vision is the Liberal government showing in the development of Canada? They cannot take credit for the discovery of oil and gas in Alberta, though no doubt they will try, as they have tried to take credit for everything worth while in Canada. We must face the facts. United States capital owns the oil and gas developments in Alberta. The federal government simply toddled along behind; and when those developing these resources asked for a charter which would mean giving our heritage away our government said, "Bring it into parliament and we will sign it as quickly as possible. Do what you like with our resources."

There will be no doubt about my vote on this matter. Liberal members to the right and left of Mr. Speaker should think pretty seriously about how they will vote if they dare face their electors again.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I am afraid I cannot share the hope of the hon. member who has just spoken that he may somehow, by his eloquence, influence the backbenchers on the government side to oppose this bill. One of the criticisms I think that can be levelled with some justification against the party system of government is that backbenchers will condone a great deal they do not think is right or they do not think is justified on the part of their government rather than cause that government embarrassment. After all, as they look at it, while a certain piece of legislation proposed may be bad, the embarrassment, or more particularly the fall, of the government to which they owe allegiance would be to them the ultimate disaster.

We have heard a number of fine speeches in this debate. If it has served no other purpose it has at least produced some eloquence in the house this afternoon and evening. I envy the hon. member who just spoke his forcefulness, though I must disagree with him in regard to the speech of the hon. member for Skeena (Mr. Applewhaite), whom I envy for his facility in the use of the English language. I might agree with the hon. member for Simcoe North (Mr. Ferguson) that the hon. member for Skeena rather spoiled his remarks at one point by flippancy, but on the whole I thought it was a very good speech, and carried away by his eloquence I felt for a moment that almost I was persuaded; but it was only almost. I would draw to your attention, Mr. Speaker, that the hon. member did not point out that under this legislation the company may build its pipe line within certain provinces, and then the wording is "and outside Canada."

It is that provision in this bill to which I have some objection, like many other hon. members. This objection is founded on several reasons. I do not expect to be able to say anything that has not been said already, but it is still my glorious privilege to say it; and in doing so I shall not delay the legislation very much. In my mind the question arises as to the extent to which one is justified in delaying legislation which is quite evidently popular with the majority of hon. members here. The argument against that, of course,

was put forward by the hon. gentleman who just preceded me. To what extent is it the real opinion of the individual members of this house that this bill should be passed with such expedition as the government demands? I personally have said nothing previously in these debates. In spite of the statement of the Minister of Trade and Commerce (Mr. Howe) last year, up to that time only the hon. member for Yale (Mr. Jones) of those belonging to this party had spoken on the subject.

Mr. Howe: You have fixed that since then.

Mr. Knight: Right; and as far as we were concerned our opposition last session was not directed so much at the subject matter of those bills as to the challenge laid down by the Minister of Trade and Commerce to us as private members and the fact that, no doubt justifiably in his own mind but unjustifiably in the minds of most of us, he interfered with the procedure of this house in order to give those bills a certain priority. The Prime Minister (Mr. St. Laurent), no doubt inspired by the Minister of Trade and Commerce, did that very thing by moving a resolution which extended the time for consideration of private bills.

I was going to state the reasons for my opposition. I shall do so as concisely as possible and without taking up too much time, lest I too should be accused of holding up legislation. In the first place, in my opinion a pipe line is or should be a common carrier. It is part of a transportation system and as such, according to the political philosophy I hold, it should be under public ownership and control. As it is I am afraid it will go the way of so many other things. United States capital will build and own it, and the dividends will go across the line into the United States instead of being distributed as they should be among the rightful owners of the gas or oil, the people of Canada.

That is the first thing. We are simply carrying on to completion a process of economic absorption into the United States by the alienation of our great natural resources. Look at what has happened to our timber in British Columbia. When I was out there a short time ago they were burning sawdust as fuel. They had some bad weather, as hon. members from British Columbia know, and in a few days the mills shut down because it was not economically profitable to produce lumber under those conditions. Within three days Vancouver was out of sawdust, and I saw a woman wheeling a fifty-pound sack of coal in a baby carriage. Those are the conditions with respect to fuel that can exist today in the great cities of British Columbia; yet we are going to take our gas down to the United States and give it to the people of Seattle, letting the mothers in British Columbia push coal instead of babies in their baby carriages.

I am opposed to this bill because it proposes to take that gas down into the United States before taking it to the city of Vancouver. I do not know whether anyone has mentioned the matter of the employment the construction of a pipe line would afford, but in view of our unemployment situation it is an important consideration. Apparently Canadian industry is not geared to manufacture these pipes. I do not know why, but we have been told that there are 780,000 tons of this pipe being loaded on flat cars to supply the material for the construction of the pipe line under construction between Edmonton and Superior. I do not know whether the pipe for the construction of the line envisaged in this bill would come from the same source, but I am only speaking of what I do know.

The next thing I would draw to the attention of this house is that the granting of a franchise by the passage of this bill would be no guarantee that the line would be built. There is a story about that, which occurred in my own constituency. In the year 1940, it was the wish of the mayor and council of the city of Saskatoon to bring natural gas to that city for heating purposes. It was during the war, of course, but a contract was entered into with a firm called the Northern Natural Gas Company. I do not know anything about it, about its reliability, or whether it has any funds behind it which would enable it to carry out its commitments. The company obtained the franchise in 1940 but did nothing further about the matter. I suppose the minister will tell me that was due to the lack of material during the war years, and I grant him that. The point is, however, that nothing has been done since then. The company put up a deposit, and I presume that, because of the tortuous manipulations of the law, the council is somewhat reluctant to try to possess itself of the money which has been left in its hands. I do not know the law of the situation, but I do know we are interested in getting the gas. The other day representatives of that particular company met with the city council and had the audacity or pure cheek to apply for a further extension of the franchise for 20 years, while Saskatoon waits for that source of heat.

In short, those are the reasons why I am opposed to this bill. Again I say my opposition is chiefly because this pipe line is not going to be built by and for Canadians.

Canadians will not get the full benefit of the product which, in my opinion, belongs to them. If I wanted to be somewhat flippant, as the member for Skeena (Mr. Applewhaite) sometimes is, I might suppose the government is anxious to put this pipe line down through United States territory to keep it out of the way of the bulldozers of the next military operation staged by the Minister of National Defence (Mr. Claxton). Let the sponsors of the bill declare the route they intend to use. Then let parliament make its decision, in the light of that information.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I rise at this time to oppose this bill, as many other speakers have done. I am not prepared to make a lengthy speech on the legal aspects of this bill. Those legal arguments have been well presented to this house by other speakers, who are opposed to the bill as it is now worded. It is supposed to be a private bill, but when you look at it, and when you listen to the attitude expressed by some members of this house, one finds it is a private bill closely cuddled by the government of the day.

I was asked to speak on this bill by my constituents, who have written asking me to state my position on the bill because it is not in the interests of Canada first. I shall not make any lengthy reference to those things that have already been mentioned. I am only speaking in the interests of our sister province, because we in the maritime provinces of Canada know what it is to be discriminated against, and neglected by this government. What is this so-called private bill before us? It amounts to discrimination against our sister province of British Columbia. The members from that province are speaking in opposition to the bill to ensure their province cheap power from the wonderful oil and gas fields of Alberta.

We have no information as to where this bill came from and, as the sponsor of the bill has admitted, he does not know where it is going. I believe all members of this house, when it comes to a vote, should send this bill to limbo immediately. I should like to say a word about the opportunities that will exist under this measure, if properly handled, from the point of view of British Columbia. It will give that great province on the Pacific coast the opportunity of developing her industries with the cheap power for which she is longing. Why then should this pipe line, as the promoters of it have almost admitted, go down through the United States, instead of first serving that part of Canada which is the gateway to the whole of Canada, namely, British Columbia?

A short time ago we had an example of the principle contained in this bill. Canada's great railway line was short of fuel. Why was there a shortage? It was due to the fact we had not developed the coal fields of Alberta. Properly developed, those coal fields could have supplied the necessary fuel, and there would not have been any shortage. If the principle of "Canada first" had been adhered to, the Canadian National Railways would have had a supply of fuel. Owing to the fact that this principle was not adhered to, there was a shortage of coal in the midst of abundance. If the mines had been properly developed, the coal could have been brought from the west to the east.

I do not intend to develop any phase of the arguments which have already been advanced, about the work that will be provided if the pipe line is constructed in Canada. It will mean jobs for the jobless, and we all know that subject is uppermost in the minds of the representatives of the people today. Certain industries should be developed in order to take care of the jobless, who are increasing across this country from east to west.

All maritime members know this bill; and I say to them that on this occasion they should declare themselves with reference to the principle of it and that, first of all, they should have in their minds the idea that we, as a young nation, should look to Canada first. The other nations near us can take care of themselves. The natural resources of Canada served this country well during times of war, and in times of peace they should be so developed in the interests of Canada first that this young nation will be made prosperous and the unemployment that exists throughout our country today will be done away with. Oil will aid in bringing this about. Today the spotlight of the world, you might say—or at least of America—is directed to the province of Alberta owing to the great discoveries that have been made and the great development of the oil fields there. This bill is brought in by the promotors with one idea in mind, namely, that the country to the south of us—and it is a great country—must have the first preference with regard to all the power from the province of Alberta. But, Mr. Speaker, I sincerely hope that the members of this house, no matter where they reside or with what party they are affiliated, first of all —when they come to vote, if they vote on this bill—will vote in favour of Canada first and to let us develop our own homeland.

In closing let me say just one word more. From time to time we have spoken of our great development in this country. As I said a moment ago, we now have the opportunity to give to the sister province of British

Columbia, the one that is really affected most by this pipe-line bill, that assistance that will enable her to have power to develop her own wonderful industries. That is my submission with reference to this bill; and I will certainly vote against it.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker—

Mr. Sinclair: Are you going to close the debate?

Mr. Cruickshank: No, although I know some of the parliamentary assistants would like to. I am not going to take much time tonight, but I want to make a few remarks.

An hon. Member: Where do you stand?

Mr. Cruickshank: I will tell you where I stand in a minute, if you will just be patient. I have not changed my stand.

An hon. Member: The fourth row back.

Mr. Cruickshank: I hear an interruption, "the fourth row back". May I say that if I have to go against my principles in order to get one row farther forward, I will go one row back. I think if some of my friends will wait a minute they may get a surprise around here, because I want to make it quite clear where I stand. I heard some question about my colleagues on this side of the house today. May I say that no pressure has been brought to bear on me by any member of the government, in any way, shape or form, to change my stand; and so far as I know, no pressure has been brought to bear by any member of the present government on any of my colleagues with regard to their stand. I want that to be perfectly clear.

I have not changed my stand at all. I want to make it clear that I am standing on my own say-so as the member for Fraser Valley. I was told tonight by some of my colleagues that possibly I was aspiring to the leadership of the Conservative party. I know they change their leaders often, and I know that my wife and I have not a house or an apartment; so on that ground alone I might have aspirations to take over the leadership of that party.

Mr. Sinclair: Why not?

Mr. Cruickshank: Just a minute. I do not know why I always get involved in controversial measures here in this House of Commons. The last time I was involved in one was during wartime. At that time I had two colleagues from my party who took a stand with me in connection with reinforcements. One of them—and rightly so—through his ability has obtained a high position within the government today; and I believe that on his ability he should go higher. The other member who sat with me was promoted to that other place, and I believe he deserves that recognition as a worthy old government supporter. I have not given up hope. I am apparently swimming the ocean alone at this time, but I have not given up hope. Who knows but that I may yet be appointed ambassador to Tibet or some other country such as that. You never can tell. There is always a hope.

Mr. Knowles: Viet Nam for you.

Mr. Cruickshank: I want to make my position clear. I have not changed at all. I want to say this. To those from my own province who oppose me, I give full credit for their sincerity in their stand. All I ask of them is that they give me credit for sincerity in my stand, even if I oppose them. I think that is reasonable enough. I know they have their ideas and beliefs, and I have mine. But of course, with regard to the province of British Columbia, I happen at this time to be standing on the right side. Three or four years from now it may be a little bit embarrassing for some of those who are not.

I am just going to read part of a report in one of the papers of British Columbia. Unlike one or two of the other members, I am not staging a filibuster. If I were, I would conduct myself differently. I have forty minutes yet to go, but I do not intend to take it all. If I were staging a filibuster, I would continue until my time expired. But may I say that a filibuster is the only weapon a private member has with which to enforce or to endeavour to enforce what he believes is in the best interests of his riding, of his province and of Canada as well. Although a small paper in Vancouver called the *Sun* adopted somewhat the same attitude, I will just read you from one of our weekly papers. I read one of the other local papers the other day.

Mr. Sinclair: Is it a weekly or annual?

Mr. Cruickshank: I am quite prepared to answer that question, because I paid what I thought was a deserved compliment to that colleague of mine. I am only going to say that I hope this paper, whether it be a weekly, a monthly or an annual, will suggest to the government that I be sent on a trip around the world at the expense of the people of Canada. The article to which I refer is headed "Grounds for Suspicion" and reads as follows:

Current attempt of George Cruickshank and Calgary's A. L. Smith to "talk out" bills proposing incorporation of companies for the exporting of natural gas from Alberta to British Columbia is an example of a tarnished weapon being put to use in a worthy fight. Normally a filibuster is a pointless procedure, but the battle spearheaded by Messrs. Smith and Cruickshank—

Alberta Natural Gas Company

They should not have put my hon. friend's name ahead of mine.

—is of serious concern for British Columbia, and for the lower mainland in particular.

I am not going to read the whole of the article at this time. It is from the *Abbotsford, Sumas and Matsqui News,* a paper that has a larger circulation than any paper in my colleague's entire riding.

As I said, I am going to be extremely brief tonight. I am just going to quote one wire I received from my riding, although I could go on quoting them all night. This is from the minister in the province of British Columbia and reads as follows:

Retel sixteenth resolution recommending all Canadian pipe line route was given unanimous support by our legislature at last night's sitting . . .

L. H. Eyres
Minister of Trade and Industry

This is the sort of thing that some of my colleagues cannot understand. Incidentally here is a letter from the provincial Liberal member for the city of Kamloops. I shall read just part of it:

We who are spearheading the pipe-line issue appreciate very much the work you have done, and we trust it will result in our mutual satisfaction.

I am watching the clock. I shall be brief. One of my colleagues rose in his place lately and talked for 52 minutes telling what a great man he was. I am going to tell what a great province British Columbia is in 15 minutes. One of the things I am most interested in, in this discussion, is what was mentioned by one of the previous speakers, namely, the building up of industries within our dominion, and more especially within the province of British Columbia. We have lost many of our overseas markets. We all know that. There may be different opinions as to the reasons for it, but we who come from farming districts know that we have lost many of those markets. We have to develop new markets overseas. We send great touring bodies over there. I do not know whether it would be just as cheap to pipe some of those delegations over there as it is to fly them over.

Mr. Sinclair: Be careful to whom you are directing your remarks. They all look the same in *Hansard.*

Mr. Smith (Calgary West): Let us all hear it.

Mr. Cruickshank: I hold in my hand a magazine which discusses where to build factories. I hope that every hon. member will get a copy of *Canada's Weekly* of February 17.

Mr. Sinclair: Where is it published?

Mr. Cruickshank: If my hon. friend wants me to go on for forty minutes he can only blame himself for it. Over the article entitled "Where to build your factory" there is a beautiful picture. That is the reason I should like you to see it. The subheading reads:

A number of localities which, it is thought, may recommend themselves to firms considering the establishment of branch factories in Canada, are being described in this series of articles.

Chilliwack, British Columbia
By a special correspondent

I shall read only a part of it, but I hope that you will all get a copy of it. Chilliwack happens to be the largest centre within the finest riding in the Dominion of Canada, namely, Fraser Valley.

This article differs from most of those which have preceded it in that it deals with one of Canada's smaller cities, situated in the locality which is mainly rural. Throughout Canada, there are many such. The sites they offer may not attract the industrialist with a multimillion corporation behind him. The factors governing his choice are manifold. He requires not only ready access to his raw materials, a ready market, transportation facilities and power, but has necessarily to consider a host of other problems, not the least of which is the labour situation. He will have to site his plant with due consideration for its suitability for the North American or, conceivably, a world market for his product.

I could read the whole article, but I do not intend to take up the time. I think I have made my point clear. I do not expect to speak on the pipe-line bills again. The people of my riding, and the people of the province of British Columbia, know exactly where I stand on the matter. They know that I believe sincerely in what I say on this question. As I said before, anybody in my province, or in any other province, who opposes me is sincere in his belief in the opposite direction, exactly as I am sincere in my belief in developing Canada first rather than the United States. I want to make a suggestion to the government. There is no rush in this matter. The sponsor of the bill that is before the house tonight said he had no idea where his company intended to build. He said he had no idea of the route over which his company intended to build a pipe line. I have no definite authority to speak on behalf of the company whose bill I had the privilege of sponsoring last year, the Westcoast Transmission Company, which has been mentioned tonight. It will be remembered that we gave them a charter without possibility of having the necessary details of an all-Canadian route written into it.

Mr. Sinclair: Whose fault was that?

Mr. Cruickshank: That was the fault of all of us, including myself. I have every reason to believe that the company would be willing to have those details written in. I agree with speakers who have said previously tonight that there is no reason to rush this matter.

I have every reason to believe that the Westcoast Transmission Company is willing to have its charter amended and an all-Canadian route written into it. I would not say that unless I had some idea of what I was talking about. I ask the hon. member for Coast-Capilano (Mr. Sinclair) not to interrupt me. I did not interrupt him.

Mr. Deputy Speaker: Order.

Mr. Cruickshank: I object to being interrupted every minute when I am trying to speak seriously. I believe it is in the best interests of this country—

Mr. Deputy Speaker: Order.

Mr. Cruickshank: I am trying to speak seriously. If you want me to talk for forty minutes I shall do so. I say to the hon. member for Coast-Capilano that he took sixty or seventy minutes to tell what a great man he was. I am making a serious suggestion. I would not make it unless I had some idea what I was talking about. I have every reason to believe that the company that got a charter last year, that we may have let slip through last year, without having an all-Canadian route written into it, has made a formal application which is now under consideration by the Alberta petroleum board and the government of that province, and that this application is on a straight all-Canadian route.

Mr. Robinson: Have they withdrawn their United States application to the board of transport commissioners?

Mr. Cruickshank: Not so far as I know. I will answer that. I am trying to give the information, Mr. Speaker, but they will not let me do so.

Mr. Robinson: We like to hear you.

Mr. Cruickshank: I want to repeat what I said. I have every reason to believe that I think this company is agreeable to having an all-Canadian route written into its charter with the proviso that the same thing be done by other companies going to the west coast. This company already has a charter. Could there be anything fairer than that? So far as I know, they have not withdrawn their application.

When some of our west coast athletes were young they were taught to play ping pong and other pussyfoot games. I was brought up in the city of New Westminster. We were taught to play lacrosse. You had to be able to take it. When you play lacrosse you have to be able to box a bit. I was also taught that in boxing or in any other game the first rudiment of self-defence is to protect yourself in the clinches. I do not play these schoolboy games of ping pong. I played lacrosse, and in that game you have to protect yourself in the clinches. What did this company do? They made their application. They made the statement to their sponsor, and they made a statement in the railway committee room, that they were going to build an all-Canadian route. Then they discovered that their opposition was applying for the cheaper route down through the United States. What did they do? They protected themselves in the clinches. They also applied for a charter for a route down through the United States. That is only common sense and good business. I am not a businessman, and I am certainly not a lawyer, and above all I am not a mining engineer. That will sink in deep.

An hon. Member: Or a world traveller.

Mr. Robinson: You are not a Rhodes scholar?

Mr. Cruickshank: I would not insult anybody by accusing him of being a Rhodes scholar. I would not go that far. This company naturally applied for a route to protect themselves. But I want to repeat this fact. There is an application before the Alberta petroleum commission—I think that is the correct name—and before the Alberta government. The decision will eventually be made by a vote of the Alberta legislature, or by the judgment of the government of the province of Alberta, as to whether a permit will be given to export gas from that province. With that I entirely agree. This company has an application before these two bodies for an all-Canadian route.

As I said, I have every reason to believe that Westcoast Transmission will agree to have it inserted in its charter, provided it is inserted in the charters of all other companies. I have spoken for about fifteen minutes, Mr. Speaker. I have done so because I should like to give some of my colleagues on all sides of the house the privilege of speaking. I am glad that one hon. member from the maritimes has spoken. In this morning's paper there is a speech by an hon. member from the other place, that delightful spot that I hope some day to reach. He asked that some of the injustices that have been perpetrated against the maritimes should be rectified. Many of us from British Columbia have agreed with hon. members in the past and we expect to agree with them in the future, that they may always get a fair deal.

We fought for the prairie provinces when they were suffering during the depression. We fought for justice for the wheat growers and tried to get them a cheaper route. I remember that the people of my riding, and the

people of British Columbia as far as that goes, paid a fair share to build an imaginary railroad up to Churchill when you could pack more grain in the back of my Chevrolet than you will ever get to go over that route. We did not object to that so why should not some of those hon. members get behind us and, as the hon. member for Queens (Mr. McLure) has just said, support the province of British Columbia?

Every hon. member is entitled to his own opinion. I respect the opinion of hon. members and I expect them to respect mine and the opinions of the people I represent. I ask them to respect the opinions of the majority of the people of British Columbia. I have not changed my opinion one bit. Before I conclude my remarks I wish to congratulate you upon the exalted position you are occupying for the first time this evening.

We believe we have a just cause and we are asking for the support of hon. members. I hope that this matter is decided by a recorded vote because I want the privilege of standing up and having my voice recorded, because I believe I am right.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I hope I can avoid repeating any of the arguments that have been presented already in this debate. In fact, it is my purpose to go into a slightly different phase of it than has been discussed, at least so far today. I take my cue for what I want to say from the fact that reference has been made a number of times to what happened last year, and by that I mean last April or, in other words, at the end of the last session of the twentieth parliament.

It has been asked, and quite properly, why those who are opposed to this bill treat it differently than we treated five other bills in the last parliament. It has also been asked why we do not recognize the fact that basic legislation is on the statute books, namely, an act respecting oil or gas pipe lines, and that any company which meets the requirements of that act should be permitted as a matter of routine to get an incorporating charter from this parliament.

For the benefit of those who have been referring to what happened in April, 1949, but who were not here at that time, I should like to indicate what happened and let them realize the hectic time we had. Those of us who were here at that time will remember that it was a bit of a nightmare. A great deal of legislation was put through in a short period of time. We were given a number of assurances which we thought carried certain implications but we later found out that such was not the case.

We permitted considerably more speed in the disposition of legislation at that time than parliament should permit. As a result of that I think it is fair to say that most of us who were members at that time do not feel happy about the Pipe Lines Act that is on the statute books and under which this application for a charter has been made. I have on my desk a considerable number of documents, including a couple of order papers of that last week in April, 1949, copies of the bills in the form in which they were brought in, together with *Hansard* and the *Journals* and the statutes themselves, and a copy of Beauchesne to boot. So I know whereof I speak, and have the evidence under my hand.

What happened was that on April 4, 1949—please remember that that date was close to the end of that session and to the end of that parliament—there was received in this house from the other place a bill known as an act respecting oil or gas pipe lines. The next day, Tuesday, April 5, that bill was on our order paper and was given first reading. First reading, of course, is without debate. It stayed on the order paper ordered for second reading until Friday of that week, April 8, 1949, the last day before we went home for Easter.

To our amazement we were asked to give second reading to that very important bill on that last day before the Easter recess. Two ministers asked us to do that and you will find their remarks reported in *Hansard* of April 8, 1949, at pages 2512 and 2515. On page 2512 the Minister of Transport (Mr. Chevrier) in moving the second reading of the bill said:

> I recommend this bill to the house. In doing so, I trust that hon. members will bear in mind that there is great urgency for the passing of this act because of the fact that these private bills are awaiting the passage of this enabling legislation. While there is some urgency because of the importance of these projects, at the same time parliament is breaking new ground in the matter of general pipe line legislation, and the bill deserves the most careful consideration of the house.

Note the circumstances. We were being asked to give speedy second reading to the Pipe Lines Act, the basic legislation, because it was urgent and so that something could be done to deal with private bills which as yet had no right to come before parliament because the enabling legislation had not been passed.

Later that same evening, after a few speeches, one by the hon. member for Vancouver-Quadra (Mr. Green), one by the former member for Kindersley, Mr. Jaenicke, and a few remarks later by the hon. member for Lethbridge (Mr. Blackmore), the Minister of

Trade and Commerce (Mr. Howe) had a few words to say, which are to be found at page 2515 of *Hansard*:

Mr. Speaker, I wish to speak only briefly. There is an urgency about this bill because I am told the capacity of the railroads to transport petroleum products from the Alberta field is approaching its limit. A real effort is being made to get this pipe line under way. The steel controller has arranged for the fabrication of steel for the principal pipe line being planned,—

Mr. Howe: It is being fabricated at Hamilton, Ontario.

Mr. Knowles: We now have word we should have had then.

—which will be undertaken as soon as the bill incorporating the company can be put through.

The minister then went on to say that he had the authority of the Minister of Transport (Mr. Chevrier) to say that if the bill was given second reading it would be referred to the committee on railways, canals and telegraph lines, and then he said:

But it would facilitate matters in several directions if the bill were moved forward tonight. It would allow a private bill to be considered in another place if the principle of this bill were approved here and it would also permit prompt consideration of the bill when the house reassembles. I hope that this suggestion meets with approval.

These few pages constitute the totality of the debate which took place on second reading of this very important piece of legislation. I think members who were here at that time will confirm that we were uneasy about the whole matter, but two ministers were pressing upon us the urgency of it, and so the house consented.

The last thing that took place before we went home for the Easter recess in 1949 was the second reading of that bill. We had a two-week recess on that occasion and came back on Monday, the 25th of April. I remind hon. members that we returned to an atmosphere of considerable expectancy. There were rumours that an election might be called soon. Members who were here then will recall that late that Monday evening the Prime Minister (Mr. St. Laurent) made a statement to the effect that parliament was only going to last for that week, and then there would be dissolution and the holding of a general election.

In the course of his statement that Monday night as to the dissolution of parliament, it became necessary for the Prime Minister to indicate what business was important enough to be dealt with during the few days that remained. During his remarks the Prime Minister said at page 2570 of *Hansard* for April 25, 1949:

As to the matters with which it would be desirable to deal at this time, if possible, there is this pipe lines legislation . . .

A little later I interrupted the Prime Minister in the course of his remarks to ask a question related to a subject about which I often have something to say. It was:

Will the Prime Minister permit a question at this point? Would he make clear what he said about the resolution respecting old age pensions? Is it intended to give it priority this week?

Then the Prime Minister said:

It is intended to proceed with this pipe lines legislation, then to deal with the budget until it is disposed of . . .

And so on. I read these quotations to indicate the pressure that was put on us with respect to this pipe lines legislation, and so far I am just talking about the basic act under which the company, in the bill before us tonight, asks for a charter. That was on Monday the 25th of April. On Wednesday of that week, April 27—

The Acting Speaker (Mr. Lesage): May I ask the hon. member to make his point clear? I do not see very well how he is discussing the principle of the bill in what he is saying now.

Mr. Smith (Calgary West): Why not?

Mr. Knowles: Mr. Speaker, I submit I am a lot closer to the point than a good many of the speeches that have been made today. I note that Your Honour agrees with that, but you may still want me to answer your question. The point I wish to make—and I am leading up to it, if you will permit me, sir—is that we had discussions during the course of that week which related to the point involved in this bill that is now before us. I shall be showing you in a few moments that during that debate there arose a discussion in the house as to what attitude we would accord to the bill for the incorporation of the Alberta Natural Gas Company which was introduced at that time. It was the same bill that is before us now with the exception of the names of the sponsors. If you will let me pursue the matter for a few moments, I submit that you will see that I am definitely speaking with regard to the matter that one should discuss on second reading, namely, whether or not we should support the principle of this bill.

The Acting Speaker (Mr. Lesage): I believe the question that should be discussed now is the principle of the bill itself, and not the principle of a bill that was before the house in the spring session of 1949. The hon. member should relate his remarks to the principle of the bill now before the house.

Mr. Knowles: Mr. Speaker, I submit that the principle is the incorporating of a company wishing to build an oil or gas pipe line, and that it is necessary to relate their request

to the legislation that makes such action possible. If we did not have the main Pipe Lines Act on the statute books this company could not request a charter at all. The point I am trying to make is that the legislation that made it possible for measures of this kind to be introduced was pushed through at a time in the spring session of 1949 when there was great pressure on members of the house, and we were being told that it was urgent to get these matters through. Since you do not wish me to proceed with that phase of the matter much further, Mr. Speaker, I will eliminate a part of what I intended to say. I will only point out, if I may summarize it briefly, that second reading of the main pipe lines bill was the last thing before we went home for Easter. We came back on Monday, the 25th of April, and were told that this measure was one of the most important to be put through. On Wednesday of that week the bill was put through committee stage, and on Friday just before six o'clock, as is reported at page 2770 of *Hansard,* third reading was given to it.

One of the things that some of us feel should have been in that measure relates to the whole problem we are talking about, namely, whether or not parliament should agree to a bill when we are led to believe that the route of the line is going to be outside Canada. During that same last week, and overlapping the consideration that was being given to the basic pipe lines bill, there was the matter of some six other bills that were brought before the house, one of which was Bill No. 239, an act to incorporate the Alberta Natural Gas Company, the same measure that is now before us. The petitions for five of these six companies were received in the house on Tuesday, the 26th of April. Under ordinary parliamentary procedure there was not time for that legislation to be passed before Saturday, the announced day for the dissolution of parliament. That created a rather odd situation. It was known that some of these companies would receive the support of most members, but there was at least one company against which there was considerable opposition. That was the Alberta Natural Gas Company, the same one that is before us at the present time.

I can say that so far as our group was concerned we did not like any of the proposed companies. We felt that public ownership should come into the picture, and at the appropriate occasion during that week one of our members moved an amendment stating that principle, which was defeated on the floor of the house. As I say, we felt that none of these private companies should be incorporated, but we were in a difficult position. We were just a small group in the house at that time, and the suggestion was being made to us that as a minority group we had no right to hold up a project of this kind. Therefore we made what may as well be called a compromise so far as our group was concerned. We looked them over; we inquired about the various companies that it was proposed to incorporate, and we learned that one of them proposed to build a pipe line outside Canada. We were told that the other five were not going to go outside Canada. Therefore we took a firm stand with respect to the one company. We said: We will not give on our behalf the unanimous consent that is necessary to waive the various rules with respect to that one company which proposes to go outside Canada. That is the same company we are opposing at the present time. On the other hand we did agree to let the other five bills go through. We gave that consent in the same way that we had agreed earlier to let the oil or gas pipe lines act itself go through, under protest, and because of the pressure of time and the sense of urgency that was being impressed upon us, especially by the two ministers to whom I have referred.

I could go through the *Hansard* of that last week and show hon. members who have asserted that we are acting differently this time than we did then that we watched this one company, which we were told was going to go outside Canada, like a hawk. Every procedural move that was made, including a motion by the hon. member for Lisgar (Mr. Winkler) to send Senate bills when they came to this house direct to the committee, without first and second readings, was carefully watched. We required the observance of all the rules of the house at every point with respect to that one bill. There was no question about it, nor was there any doubt as to the reason we drew a line between that company and the other five. We had been told by the sponsors of the bills, we had been told around the halls, we had been assured that the other five would build their pipe lines in Canada, whether for oil or gas. This one, however—and the principal name connected with at that time was the present hon. member for Vancouver Centre (Mr. Campney)—proposed to go outside Canada; so we said "No" to any request for unanimous consent with respect to that bill.

I ask hon. members to go through *Hansard* of that last week. They will find that we did not get the petitions for those bills, including this Alberta Natural Gas bill, until Tuesday, April 26; and even then that petition, together with the others, had to be referred to the committee on standing orders because the promoters had not met all the

requirements laid down with regard to public notice across Canada, and so on. The committee on standing orders was asked to waive some of the rules respecting private bills. I was a member of that committee and objected strenuously to waiving those rules, but we were overruled by the majority and the report of the committee was brought back. On Wednesday the hon. member for Lisgar made his motion to waive certain rules, but we refused to give the unanimous consent that was required. Thursday he made the same motion, to send Senate bills straight to the appropriate committee without bothering with first and second readings, and we let that go only after we got the assurance that it did not cover these pipe-line bills but simply divorce bills and certain miscellaneous items. It was only on Friday, I think after the evening recess, that we came to the second reading of these six bills. If hon. members will go through *Hansard* they will find the discussion back and forth between some of us in this group and the Prime Minister (Mr. St. Laurent), in which it was made crystal clear that we were prepared to extend such unanimous consent as was necessary to waive the rules in order to get the other five through, but that with respect to this one which we knew was going outside Canada we said "No"—I said it myself, several times—and it did not go through.

I have spelled out that opposition in detail so hon. members will see that there has been no change in our position as far as this one company is concerned. We were told then it was going outside Canada, and we opposed that. Today we are led to believe that is still the position, at least we have not been given any assurance to the contrary, and that is why we are taking the stand we do. On the other hand some of us were amazed after the session was over to get word that one of the companies which had been granted a charter during that last short week proposed to build its line down to Superior, Wisconsin. I know the first time it was mentioned to me in Winnipeg that this was going to be done I said there must be something wrong, that this could not be done because we had stopped the one company that was going to build its line outside Canada. But I had to look into the question further, because this matter kept coming up; and I soon discovered that we were mistaken.

Mr. Stewart (Yorkton): Was anything contained in the bills that were passed which would prevent the companies from building their lines outside Canada?

Mr. Knowles: That is exactly the point I am coming to. There was not. We accepted the assurances we were given that everything was all right. We acceded to the urgency that was impressed upon us, and agreed to let those five bills go through. The hon. member for Yorkton has driven home the point I have in mind right now, that too often we have accepted these assurances; too often we have given unanimous consent; too often we have let things go through even under protest. I believe this whole story is an excellent example of the validity of parliamentary rules which call for time to be taken with important legislation. I object most strenuously to the times without number when the government comes along and asks us to rush these things through. Hon. members say no rush about these pipe-line bills is being permitted because of the time that has been taken; but if we add up the hours that have been spent on these bills it really does not amount to much, considering the importance of the whole question.

I had all the pages down here giving the various times this matter came up during that last week, but hon. members who were here will agree that I am correct in saying that we stopped the one because we were told it was going to be built outside Canada, so I need not say all I had intended saying. We let the other five go through because we were told that was not the case with them. Later we discovered that one of them was being built outside Canada, and there was nothing we could do to stop it. As I looked into it further I discovered that not only had there been a mistake made in the charters of these companies permitting them to go outside Canada, but behind that was the fact that the basic oil or gas pipe lines act did not require a company applying for a charter to state in its application where it intended to build the line. This afternoon the hon. member for Skeena (Mr. Applewhaite) pointed out that the act does require a company, once it has its charter and appears before the board of transport commissioners, to file a map showing its route; but the die is cast by the time you get over to that judicial body.

I remind hon. members that we are not only acting in a judicial capacity when we deal with private legislation; we are acting in a legislative capacity as well. Beauchesne makes that quite clear in citation 759:

> The proceedings of parliament in passing private bills partake of both a judicial and legislative character.

My contention—and I want to get to this point because I think that parliament is in a jam over this whole business and that it is the responsibility of the government to straighten it out—is that it is no use merely requiring a company to present to the board of transport commissioners a map showing

where its pipe line is to be constructed. What should be required is the presentation of that map or chart together with the application to parliament itself, so parliament could insist on a change in the route, or refuse to pass the bill until the route indicated was satisfactory. Someone should interrupt at this point and say that the other companies have not been required to do this. The answer would be that that is perfectly true, they have not; but that is the mistake that comes from legislation having been put through too hastily, as was the case during the last week of the last session of the last parliament.

It seems to me the answer to all this is for the government to ask the sponsors of these two bills to agree to have them remain on the order paper for a little while, not proceeding with them every time they are called, so that in the meantime the government can bring in an amendment to the Pipe Lines Act itself.

Now, someone is going to say that you cannot deal with both of those types of legislation at the same time. Do not tell that to those of us who were here in the last parliament, because that is exactly what happened. We had these six private pipe line bills, which were passed in the Senate, and were sent over here and given first reading, before the basic legislation had passed. After that, the basic legislation had to go to the other place and then get royal assent. In other words, consideration was given in that last parliament to private bills which were contingent upon a basic piece of legislation, and they were being considered before that basic piece of legislation had been passed.

I thought that was rather sloppy. As a matter of fact, I questioned the propriety of what we were doing on several occasions. If I had taken the time to give the page numbers in *Hansard* of all these citations, hon. members would know the number of times during that last week that I objected strenuously to the procedure being followed. The member for Peace River (Mr. Low) may remember one interchange between the two of us when he said that we were talking out certain of these bills. My retort to him was very definite, and will be found on page 2776 of *Hansard*, namely, that we were not talking the bills out but we were exercising our right to insist upon the observance of all the rules with respect to one of the bills, Bill No. 239 of that year. I do not recall that interchange to stir up the argument, but rather to stress the point that some of us were considering the impropriety of the whole business, and the manner in which this important subject was handled in that last week.

[Mr. Knowles.]

I believe the government should recognize that the matter has not been dealt with properly, and should now call a recess in this business. It should ask the sponsors of these two bills to let them rest until the government has asked parliament to amend the Pipe Lines Act itself. The amendment to be made is quite simple, namely, that no company should have a right to apply for a charter until it presents to parliament a map showing where it plans to build the pipe line. Let parliament have some say as to whether or not we are going to grant these charters, on the basis of where the lines are to be built, and whether or not we feel they serve the best interests of the country. I remind members of the statement of Beauchesne with respect to what we are doing when we are dealing with private bills. We are not acting merely in a judicial capacity, and Beauchesne makes that very clear. We are not here to say yes to every company that comes along that has met the conditions laid down in some previous piece of legislation. We are also here in a legislative capacity. We have to decide whether each and every bill, on its own merits, is good legislation for Canada. I strongly urge that the government take stock of this situation, and try to give the lead to get parliament out of the jam in which the government has put this house.

I do not wonder that members are bewildered about what is going on. I recognize the arguments on both sides. I recognize the argument of my friends of the Social Credit group, that the basic legislation is there and this company has met the requirements of that legislation, so why do we say no to it when we said yes to the others? The fault lies in the basic legislation. We have a situation now in which one company does seem prepared to build its line from Alberta to British Columbia over Canadian soil. The other company is not so prepared; so it seems to us who think the line should be built on Canadian soil that the only thing we can do is to hold this bill up until this company will voluntarily take the position the other company appears to have taken. But it is really not satisfactory to have it on that basis. It seems to me a better basis would be to have it laid down in the Pipe Lines Act. I urge the government to consider, even at this time, the desirability of amending that basic act.

Mr. P. T. Hellyer (Davenport): Mr. Speaker, I have heard so many speeches today in which members tried to give the impression they were the sole defenders of the people's interest, that I feel obliged to state my position before we are all asphyxiated. The member for Simcoe North (Mr. Ferguson) implied that the members on this side of the

house did not have adequate information concerning this bill. After listening to his stirring address, I am led to believe we have more information than hon. members opposite.

The leader of the opposition (Mr. Drew) spent some time talking about conservation this afternoon. I was not too clear about the meaning of this term, and so I asked for an explanation. I had it explained to me this way: By postponing the construction of a large power plant on the Ottawa river, the Ontario government conserved electricity.

Mr. Drew: If the hon. member wants to be educated, he should go out and see it now.

Mr. Hellyer: Better late than never, but better never late. The leader of the opposition then said that both gas and oil are wasting assets. It is interesting to note that during the weeks we have been gassing in this house, the assets of Alberta have continued wasting. I am led to believe, Mr. Speaker, so much natural gas has already been discovered in Alberta that even after the one pipe line is built ample reserves will exist to take care of new cities, industries and other requirements which may occur within the foreseeable future.

An hon. Member: Why not serve Canada first, then?

Mr. Hellyer: In addition, the lack of substantial markets for this gas is holding up the production of oil in Alberta. It may be advisable to try to sell considerable quantities of the gas, looking forward to the possibility that at some future date it may be superseded as a source of energy. Someone opposite mentioned something about serving Canada first. It seems to me an irreconcilable fact that the Socialists and Conservatives as a combination, of all people, should try to force a company to accept what might prove to be the least economical route.

I am sorry that the hon. member for Rosetown-Biggar (Mr. Coldwell) is not in his seat—

An hon. Member: Yes, he is.

Mr. Hellyer: I should say that he is not in his own seat. He has said that the interests of the Canadian people must be properly and adequately protected. With that statement, Mr. Speaker, I am in complete accord. In order to protect them, however, those interests must first be recognized. The member for Rosetown-Biggar also suggested that gas might be piped east to Saskatchewan. I understand that as soon as there is a change in the government of that province sufficient discoveries will be made to take care of that area from local sources.

Mr. Coldwell: The hon. member means the Liberals have a lot of it?

Mr. Hellyer: Then, the same member seemed worried about the possibility that someone might make a substantial capital gain on the sale of one of these charters. On reflection, I believe he would be forced to agree that the more charters there are the lower the resale value of any one of them would be. Certainly, it would be lower than at the present time, when there is only one unrestricted charter in existence. I have always thought that in any race it was desirable to have a common starting line. Finally, Mr. Speaker, it is because of my belief in fair play, my belief that all participants should have the same handicap, that I intend to support this bill.

Mr. L. E. Cardiff (Huron North): I do not think anyone can accuse me of taking part in a filibuster, Mr. Speaker. This is the first time this session that I have risen in my place in the house to take part in a debate, and I seldom speak. I do so tonight because of the fact that this afternoon two Liberal members took up an hour of the time of this house; and if there has been a filibuster, they are also implicated in it. I think perhaps they added to that filibuster, if it is one, by trying to support the bill on the one hand and, on the other hand, by trying to talk it out. I conscientiously believe they hoped that it would be talked out.

I am one of those who believe in Canada for Canadians. I am one of those who believe that in our minds we should always have Canada first. If we are going to have a strong nation, we must build a strong Canada on a strong foundation. There is no one who does not appreciate the wonderful country south of the border. That the United States is so wonderful is explained by the fact that never at any time have United States statesmen failed to stick up for United States interests. That is why they have become so great. Because we are trying to stick up for Canada is no reason why the United States should think any the less of us.

One reason why we had so much assistance from the United States in years gone by was the fact that we did not have sufficient capital with which to develop our resources. I think the time is long past when we need to have assistance from the United States to develop our resources.

Here in Canada we are privileged in having many resources such as gas, coal and oil. As hon. members know, when gas is in the pipe line, it is ready for distribution and use. Oil must go through the refinery, but gas is ready for use. I think we should realize that British Columbia should have the first chance to

consume this gas. British Columbia has been suffering from more unemployment than any other part of Canada. As a result of the wonderful climate there in the summertime, many people migrate to British Columbia; and when autumn comes, they find themselves out of work. They then stay in British Columbia for the winter because it is so mild. That is one reason why British Columbia has so many unemployed. I happen to have a boy in British Columbia. He has never been unemployed, but there are many there who are. He tells me that the streets are lined with unemployed in the city in which he is located. If British Columbia had the opportunity of getting this gas at first cost, there is no doubt in my mind that there could be developed there industries that would provide much employment and would help a great deal to relieve unemployment in that part of the country.

I started as a farmer at the head of a family. I was the breadwinner. I had to look after my family first. All hon. members no doubt started in the same way. You did not worry so much about others as you did about your own. That was your responsibility. You had to look after your own family. After you had done that, you could look around and see what you could do for others. The same thing applied in municipal life. I started in municipal life as a councillor. When I was a councillor, I tried to look after my own ward. That was my responsibility. After serving in that capacity for several years, I was elected to the reeveship. While reeve, I had to attend county council and my mind naturally developed. As a member of the county council, it was my responsibility to look after my municipality. I had broadened to that extent. I had to see to it that the roads in my municipality received their fair share of the moneys that were spent. That was my responsibility. No one could criticize me for doing that.

Then when I came into the House of Commons, I again had to broaden my outlook and to develop my mind to look after the Dominion of Canada. That is what I am trying to do tonight. In rising in my place here in the house I am trying to look after the Dominion of Canada. I am not interested in what is south of the border. We get gas and oil from the United States; and I appreciate the fact that we can get it there. But now that we have so much of our own, why is it not possible for us to develop that gas and oil in our own country first? If we have any to export after that, then it is time enough for us to start worrying about what is south of the border.

This afternoon we heard many good speeches. I am going to refer to only one, namely, that delivered by the leader of the opposition (Mr. Drew). It was the speech of a statesman, not of a politician.

Some hon. Members: Oh, oh.

Mr. Cardiff: All right; you can laugh at that if you like. May I say that I have a habit of reading minds; I looked over the members of the house at that particular time and I did not see anybody in any quarter of this house who was not digesting that speech to the full. I might also say that there were not any comments directed to the leader of the opposition when he was making that speech. It was the speech of a statesman, it was well delivered, and it will be remembered for a long time.

I put down a few notes here, Mr. Speaker, but I do not think they are of much use to me. In the first place, I do not know anything about gas lines nor pipe lines, but I do know this. If the gas line or the pipe line is constructed in Canada it will create employment for a great many Canadians; but if it goes through the United States there is no question in anyone's mind that it will give work to a great many people on the other side of the boundary. Suppose the pipe line did cost more to build on Canadian soil, would it not be worth the difference to have a pipe line through our own country first and to have our own people served before it is taken out of the country? In British Columbia and through the west there are many industries that would receive cheap gas. By receiving cheap gas they could manufacture things at a much lower cost than would otherwise be possible; they then would be able to compete in the markets of the world. I believe in Canada for Canadians first. After that, if you have anything to spare, sell all you can sell to those outside your own border.

Mr. J. W. Noseworthy (York South): In this bill, Mr. Speaker, we are dealing with one of Canada's great natural resources; and I think it is rather unfortunate that the debate on this important natural resource should have taken on the purely party-political character that it has taken on in this house. It has become quite evident that the bill before us is sponsored by the government although it is known literally as a private member's bill. The Minister of Trade and Commerce has indicated quite clearly to the house his point of view, and quite evidently has given a lead to all the government followers in the house.

Here we have what the leader of the opposition (Mr. Drew) rightfully described as a wasting asset, a wasting asset in the sense that it is not something that can be replaced once it has been disposed of. This particular resource is one that nature has created over the past ages, which has lain hidden in the

ground, according to geologists, for possibly millions of years. We now become the discoverers of that great natural resource, and the question is, what to do with it. Quite evidently our present government has just one policy on that matter, which is to get this natural resource to a market by the shortest and cheapest possible route that will bring greatest profit to those who have invested in that industry, and to those who are concerned with its disposal. That is one way of dealing with it.

Here is a natural resource. We assume it belongs to the province of Alberta. I am quite sure that hon. members from Alberta and the government of Alberta will be among the first to recognize that this is a heritage of the whole Canadian people. The government's policy appears to be: Take this great natural resource. Let us dispose of it through any ready channel that will bring immediate profits, either profits to a government or profits to private investors; and if it is going to cost a few hundred thousand dollars more to build a route that will serve Canadian people, then we cannot take that route. The fact that they are getting this market cheaply, and immediately realizing profit on the disposal of this natural resource, appears to be the chief concern of the government today, and appears to be their chief concern in the matter of this bill.

There is another way in which that natural resource could be disposed of. There is another policy that could be followed. I can well imagine that we have had governments in this country in the past that would have been prepared, in the interests of the Canadian people, to have taken a much more statesmanlike view of that policy than the present government is taking in connection with this matter. We have had governments in this country in the past that would have looked upon this natural resource as a heritage of the Canadian people to be safeguarded for future generations, and not to be exploited as quickly as possible by the shortest and cheapest route possible and for the highest immediate profits possible, which appears to be the present policy.

This afternoon the leader of the opposition gave us a vision of what this particular natural resource could mean in the building of this country, a breadth of view that we have not heard come from a single member or minister of this government in connection with the development of this resource. Every word we have had from the Liberal side of the house has been concerned with one policy, and one policy only, namely, to get this natural gas market, get it there by the most economical route, get it there to serve the large centres of population in the United States, so that somebody may be able to reap a profit therefrom.

We sometimes talk of the future possibilities of Canada. We sometimes talk of our need of immigration. We sometimes talk of this country as a country that could support many times our present population. But here we have a natural resource that will provide cheap power for the building of industrial centres in our western provinces and, as far as we know, a product that could be economically brought east to build industrial centres east of the great lakes as well. Instead of that our first concern must be, which is the most economical way of building a pipe line. Never mind what happens to Canada; never mind what happens to the cities and towns of British Columbia; let us get the pipe line; get the gas disposed of; get our profits.

On motion of Mr. Noseworthy the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow being government day we shall move to go into supply, and if that motion carries we shall call four departments: finance, transport, veterans affairs and trade and commerce. In committee of supply we shall consider the further supplementary estimates for the year now closing, with the supply bill. Then the Minister of Finance will also ask for interim supply. I understand he has spoken to the leaders of the opposition parties on these matters.

Then we should very much like to conclude the debate on the motion of the Minister of National Health and Welfare (Mr. Martin) to set up a committee on old age security. If we were fortunate enough to complete that business we would take up the motion of the Secretary of State for External Affairs (Mr. Pearson) to refer his estimates to the external affairs committee.

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

HOUSE OF COMMONS

Tuesday, March 21, 1950

The house met at three o'clock.

HOUSE OF COMMONS

EASTER ADJOURNMENT—REFERENCE TO PRESS REPORT—BUSINESS OF THE HOUSE

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, on a question of privilege, I wish to refer to a report in the press of what I said yesterday in the house concerning the Easter recess. A Canadian Press dispatch, referring to the request I made yesterday for information as to the date on which the house will rise, states:

> Opposition parties indicated in the Commons today they would prefer a longer Easter recess than that suggested by the government.

The report then goes on to refer to my comments on the subject. I should like to point out that I did not ask for a longer recess. The exact words I used were:

> No matter what the length of the recess may be, I suggest to the government that this is a fairly obvious consideration . . .

I was referring to the fact that members would wish to be home in the week before Easter. I wish to make it quite clear that the remarks I made did not involve any suggestion of a longer recess, but were directed to the fact that members living some distance away should know what period the recess will include. I also urged that the week before Easter should be made available to enable members to get home in time to make any necessary arrangements before Easter.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I had intended to make a statement on the orders of the day, but as the leader of the opposition (Mr. Drew) has raised the question at this time, I think perhaps I should make it now.

I understand that the desire was expressed to have a definite announcement as to what it is intended to propose for the Easter holiday. Since my return this morning I have received a report from our whip of his conversations with the whips of the other groups in the house. I find that among the other groups there is a decided preference for an adjournment that would start on Wednesday afternoon, the 5th of April, at six o'clock, and extend to the Monday after Easter week. In other words, the adjournment would be from Wednesday, the 5th of April, at six o'clock, until Monday, the 17th of April, at three o'clock. This takes away one full day, but I understand that it would be much more convenient for quite a large number who wish to get home for Good Friday. I think it is fair to assume that it will be the desire of the house to have that done, and to proceed in the meantime in such a way so that we shall feel we have done those things which have to be done before rising for Easter. There are, for instance, four bills for which resolutions now appear on the order paper having to do with acts which expire on the 31st of March. One to which great importance is attached is that having to do with rent control. This is a very simple matter; it will provide for the extension of the Continuation of Transitional Measures Act, but it will apply only to rent control. Then there is a bill to extend the time during which prices support may be provided for agricultural products, and another for the same purpose for fisheries products. There is also a bill to extend the period during which the Agricultural Products Act shall remain in force. These are matters as to which there would be serious embarrassment, chaotic embarrassment, if a final decision were not made about them before March 31.

There are three motions to set up committees which I understand most hon. members would like to see set up and organized so that, if not much can be done before Easter with respect to their work, they will be able to function as soon as we come back after Easter. They are the committees on old age security, radio broadcasting, and railways and shipping owned, operated and controlled by the government. I would hope that we could have these matters disposed of so that the respective committees may be organized and be in a position when we return to carry out expeditiously their terms of reference.

I do not think I need make my declaration conditional, however. At this time, trusting to the good will of hon. members, I will undertake to place on the order paper a notice of motion that when the house adjourns on the afternoon of April 5 it shall stand adjourned until three o'clock on Monday, April 17.

Proposed Legislation

DEFENCE SERVICES PENSIONS

METHOD OF COMPUTATION—CREATION OF SERVICE PENSION BOARD

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Militia Pension Act for the purpose of changing the title to "The Defence Services Pension Act"; removing anomalies and improving administration; changing the method of computing pensions and gratuities and establishing a service pension board to pass on requisitions for payment of pensions and gratuities.

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

Motion agreed to.

CANADA PRIZE ACT

PROVISION FOR PAYMENT AND DISTRIBUTION OF PRIZE MONEY

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to provide for the payment and distribution of prize money out of prize money presently and prospectively in the consolidated revenue fund.

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

Motion agreed to.

WHEAT AND COARSE GRAINS

STATEMENT AS TO FINAL PAYMENTS FROM FIVE-YEAR POOLS

On the orders of the day:

Mr. A. C. Stewart (Yorkton): I should like to ask the Minister of Trade and Commerce what payments will be made by the government to the farmers on barley and oats, and when?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it would seem that at this time a statement on the whole position of payments from the grain pools should be made, and I shall make that statement now.

Last week I stated in reply to a question on the orders of the day that it had been decided not to make a further interim payment on the five-year wheat pool, but that a final payment would be made as promptly as possible after the end of the crop year. An additional payment now would have to be distributed over some 1,400 million bushels of wheat, involving some 1,350,000 separate cheques. The cost of making such a payment is estimated at roughly $500,000. Opposition members have charged the government with having made too large interim payments in previous years, and everything considered, it seems desirable to make one further payment when the final out-turn of the five-year pool is known.

It has also been decided to make only one further payment, that is, a final payment on the oats and barley pools. This payment will be made after the end of the crop year, as soon as sales have been completed of all the oats and barley delivered to the pools.

At this time, however, I believe that I should give some indication of what might be expected by way of a final payment from these pools. Any such forecast is dependent, of course, upon a number of factors, principally the course of market prices until the balance of the 1949 crop deliveries can be sold. There are still oats and barley on farms remaining to be delivered to this year's pools, and the sooner producers can get the grain they intend to sell delivered to country elevators, the greater the possibility of the board's taking advantage of the existing market in making sales and the sooner the transactions may be closed out at the end of the crop year in order to permit a final payment. Depending upon all these circumstances, and without in any sense making a commitment that payments will be made at these levels, I think it desirable that producers should know that, based on present prospects, I now estimate final payments at 10 cents per bushel on oats, 40 cents per bushel on the feed grades of barley and 50 cents per bushel on the malting grades.

These payments may appear low compared with present market levels, but it must be recognized that sales prices were much lower earlier in the season and any merchandising organization like the Canadian wheat board must sell steadily throughout the year. Any other sales policy would not be acceptable. If current prices hold and it is possible for the board to sell the balance of the pool stocks at current levels, then the final prices realized will be higher than present estimates.

Had it been decided to make interim payments now, the amounts would have had to be set at lower levels as a matter of ordinary precaution. Rather than make smaller payments at the present time, the available surpluses will be used by the board as working capital in reducing the amounts borrowed from the banks. As I mentioned earlier, opposition members have expressed a preference for using the surpluses accumulating in the pools in this way.

In stating the prospective final payments from these pools, I have done so with the purpose of giving all producers participating in these pools an idea of where they stand with respect to their further income. I also have in mind that this information should help those producers who require credit in connection with seeding to make any necessary arrangements with their banks.

Once again I should like to emphasize the need for early deliveries from farms, and I would urge producers who have wheat, oats or barley still to be delivered to get this grain into the elevators at the earliest opportunity. There is a good demand for early shipment of all these grains; some sales will be lost if the grain is held back and some have been lost through lack of grain in position. Moreover, as I have already mentioned, early delivery of these grains will facilitate the closing out of the pools and expedite the final payments in that connection.

Mr. Ross (Souris): One point I should like to make clear is that no member of this party ever complained about the payments made last year. I should like to have that clearly understood.

Mr. Chevrier: Ask your question.

Mr. Ross (Souris): The question is this: Could the minister include the wheat payments in his estimate along with those coarse grains? Many more farmers are interested in the wheat payment than in the coarse grains payment.

I have another question based on a press report, with regard to the wheat council, which appeared in the Winnipeg *Free Press* of March 17. It reads as follows:

Wheat council O.K.'s Germany; defers Japan. U.S. to supply. Attlee also states that Canada and U.S.A. took the lead in these proposals.

Will the minister now give us some further information on this arrangement, and indicate what if any benefits will accrue to Canada with respect to markets for wheat? In view of the foregoing, will he give us an estimate of future wheat payments, since that will affect many more farmers than will the coarse grains payments?

Mr. Howe: In reply to the first question, I am not in a position to estimate the final payment on wheat. There are factors involved that are not known at this time.

With regard to the international wheat agreement, perhaps I could read a dispatch from our representatives at the council meeting. It reads as follows:

The international wheat council held the final meeting of its second session in London on March 15, when it considered the applications of both Germany and Japan to accede to the international wheat agreement.

Wheat and Coarse Grains

The request made by Germany, involving a guaranteed quantity of 1,800,000 metric tons per year commencing with the current crop year, was approved subject to instruments of accession being deposited by April 30, 1950, and to conditions normally required of countries acceding to the agreement.

In the case of Japan, it was found that further time was necessary for the consideration of the issues involved. It was decided, therefore, to defer further consideration of this application until a later session of the council, which it is anticipated will probably take place before the end of the current crop year which ends July 31, 1950.

The following are the agreed shares of the German quantity:

	1949/50	1950/51	1951/52	1952/53
United States	66,138,678	54,328,345	46,328,345	44,328,345
Canada ...	Nil	8,000,000	16,000,000	18,000,000
Australia ..	Nil	3,333,333	3,333,333	3,333,333
France	Nil	477,000	477,000	477,000

I may say that when Japan accedes, the Canadian allotment will go up to 27 million bushels, which brings us back to the 230 million bushels which in earlier discussions was considered to be Canada's fair share of world wheat markets.

Mr. Diefenbaker: Will the minister allow one further question in connection with this matter? I am thinking particularly of the drought areas in Saskatchewan and the difficulty the farmers there would have in securing credit, even on the basis outlined by the minister. Will he consider having an interim payment made in those areas affected by the drought? The identification is clear, and all that would be necessary would be for the farmers to send in their tickets. I am afraid this announcement will be disappointing to those who need the money for spring work and are unable to secure credit. I offer this suggestion and ask the minister if he will give consideration to it.

Mr. Howe: Very careful consideration has been given to that problem. We are aware of the problem. Unfortunately coarse grains payments do not to any considerable extent affect the drought areas. So far as the wheat payment is concerned, the winding up of the five-year pool involves problems which make it impossible for us to establish final payments at this time.

Mr. Fair: I should like to thank the Minister of Trade and Commerce for his answer to my question about interim payments, of which I gave him notice yesterday afternoon.

Mr. Argue: Will the Minister of Trade and Commerce also tell us what the initial price for oats and barley will be? The farmers of western Canada would like to know the various grain prices before they commence seeding operations. Will the amendments to the

Canadian Wheat Board Act be brought in at an early day, preferably before the Easter recess?

Mr. Howe: In reply to the first question, consideration is being given now to initial prices. Initial prices for 1950 crops will be announced well before seeding will commence. So far as the amendments to the Canadian Wheat Board Act are concerned, they are ready for introduction into the house. Perhaps after we settle the pipe lines bill we shall be able to introduce the amendments.

Mr. Drew: There is one point I think should be cleared up. The member for Souris (Mr. Ross) has referred to the statement, repeated by the Minister of Trade and Commerce, that what was being done was in accordance with the wishes expressed by the opposition. The member for Souris has pointed out that the reference was not to the whole opposition. In view of the fact that a prepared text has been issued, I think that the Minister of Trade and Commerce should make the correction for the record.

Mr. Howe: I am quite willing to accept the word of the hon. member for Souris. It happens I was absent from the house when the criticism arose. I saw in my notes an indication that criticisms had been offered, and the nature of the criticisms. I do not wish to imply that the official opposition offered the criticism.

NATIONAL DEFENCE

QUESTION AS TO PURCHASES OF EQUIPMENT IN THE UNITED STATES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of National Defence whether he noticed in yesterday's papers dispatches from Washington and New York reporting that Canada is to buy from the United States certain arms and equipment still on the secret list, including jet engines, radio and radar apparatus, armaments, and certain special equipment for F-86 fighters. In view of the importance of this subject, and the controversy surrounding the purchase of F-86 fighters, will the minister make a statement on this matter now, or at an early day?

Hon. Brooke Claxton (Minister of National Defence): Arrangements have been made, as reported in the press some weeks ago, to complete the purchase of components for the F-86A aircraft, which are not being manufactured in Canada; that includes possibly engines and other equipment.

[Mr. Argue.]

Mr. Fulton: I should like to put a supplementary question to the Minister of National Defence. Can he indicate the dollar value of these purchases from the United States?

Mr. Claxton: About $10 million.

Mr. Smith (Calgary West): The minister spoke about equipment which is being purchased in the United States by the armed services. Are the armed services being charged duty on this equipment?

Mr. Claxton: Yes; that is correct.

Mr. Smith (Calgary West): The situation is that the armed services are not spending the entire amounts indicated in estimates, for example; part of it, in the form of duties, is returned to the consolidated revenue fund?

Mr. Claxton: Yes.

Mr. Abbott: That is the general policy. It applies to everything.

Mr. Claxton: It applies to all government purchases for the government account.

STEEL

QUESTION AS TO PURCHASES IN THE UNITED STATES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of Trade and Commerce in regard to purchases made in the United States. Is the press dispatch right in stating that $900,000 worth of steel is to be purchased in Germany in order to build ships in Canada for the government?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have no personal knowledge of any such purchase.

Mr. Fraser: That is the report in the press.

Mr. Howe: Would my hon. friend object to that? Canadian firms buy steel wherever they can. It might have happened. German steel is just as good as any other steel.

Mr. Fraser: If you are buying it from Germany, I wonder why you did not buy it from Britain as you used to.

FREIGHT RATES

NEWFOUNDLAND—DECISION OF BOARD OF TRANSPORT COMMISSIONERS

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Will the Minister of Transport say what is the present position of the Newfoundland freight rate issue?

Hon. Lionel Chevrier (Minister of Transport): My recollection is, Mr. Speaker, that the

matter came up before the board of transport commissioners, and the board decided that it was clear that what both counsel for the applicants and counsel for the respondents requested was an interpretation of a legal problem under subsections 2 and 3 of section 32 of the terms of union. In other words, what the board was asked to do in the judgment was to give a legal opinion on the meaning of those sections.

Perhaps I could put it better this way: The point the board decided was whether or not any different rule was to be applied in the province of Newfoundland from that which was applied to the other provinces of Canada. The reply made by the board was no. The board did not decide the question whether or not Canadian National Railways was justified in making an additional charge because of the narrow gauge railway, nor was it decided whether or not the rate in question from Saint John, New Brunswick, to Halifax, as compared with the rate from Saint John, New Brunswick, to St. John's, Newfoundland, was justified. The board said that matter would be decided at a later date if any of the parties aggrieved felt like proceeding with the issue. As I understand the present position, if the applicants in the case desire to proceed further, the board will hear the case.

Mr. Higgins: May I ask if a further application has been made to the board?

Mr. Chevrier: I am not aware of any.

PUBLIC BUILDINGS

CHARLOTTETOWN—QUESTION AS TO PROPERTIES PURCHASED AND COMMENCEMENT OF WORK

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I gave notice to the Minister of Public Works yesterday that this house, and particularly the members from Prince Edward Island, would like to have information with regard to the dominion public building for Charlottetown, Prince Edward Island. My question is this. Is the Minister of Public Works prepared to make a definite statement with regard to the properties purchased and paid for, and as to when work will proceed?

Hon. Alphonse Fournier (Minister of Public Works): The hon. member was kind enough to give me notice of this question. I have before me a lengthy report concerning this building, but I think I should summarize it and not clutter up *Hansard* with the three pages of details I have here.

Two years ago we had an estimate on the construction of this building. We gave notice of expropriation on the twenty-three properties forming the site of the proposed building. Out of the twenty-three, two have been settled, and two will be settled in the near future. On the remainder we are negotiating for settlement. Our difficulty is that our valuators' valuations—we had two outside firms make valuations—do not agree with the amounts asked by the owners. I can give one instance without mentioning the name, so that no harm will be done to the negotiations. In one case, according to the detail I have here, we have a valuation of $10,000 for a property, but the owners are asking $60,000. It is quite difficult to come to an agreement in such a case. I am afraid we shall have to proceed through the courts.

As to the plans of the building, the sketches have been completed. They are being submitted to the two departments that will occupy the greater part of the building, that is, post office and customs; but from the list I have here I note that nearly every department of government will occupy space in the building. The moment we get the site—and we have given notice to the owners that we shall need the site from April 1 this year—we will proceed to the completion of plans and specifications, and will ask for tenders.

OFFICIAL SECRETS ACT

INQUIRY AS TO AMENDMENTS TO PROVIDE ADDITIONAL SAFEGUARDS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I wish to direct a question to the Minister of Justice. Is it the intention of the government to introduce at this session any amendments to the Official Secrets Act in order to provide additional safeguards as recommended by the royal commission four years ago?

Hon. Stuart S. Garson (Minister of Justice): The matter is under consideration.

SUPPLY

The house resumed, from Tuesday, March 14, consideration of the motion of Mr. Abbott for committee of supply.

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

FREIGHT RATES

Mr. M. J. Coldwell (Rosetown-Biggar): Some time ago, Mr. Speaker, we planned to raise the question of increased freight rates—

Mr. Speaker: Before the hon. member begins his remarks, might I draw to the attention of the house the fact that almost every day, when we start on the order of business under orders of the day, there is a

great deal of confusion in the house. It is exceedingly difficult under such conditions for the Speaker to hear what is taking place, and it is therefore more difficult for him to maintain order. If hon. members have business which requires them to leave the chamber, may I request that they do so as quietly as possible; or if they feel they must converse with other members, may I ask that they do that also as quietly as possible, and preferably outside the chamber.

Mr. Coldwell: Thank you, Mr. Speaker.

Some time ago we thought it advisable to raise the question of freight rates. Since that time appeals have been lodged by the Canadian Pacific Railway Company and by two of the provinces, Manitoba and Saskatchewan. At noon today, listening to the Canadian Broadcasting Corporation's midday news, I learned that seven of the ten provinces were joining together in making an appeal, I believe to the governor in council. Consequently that fact to some extent limits the discussion one can initiate or carry on this afternoon. I am going to try to keep within the bounds of the rules of procedure and to discuss this matter apart from the actual increases that have been granted by the board of transport commissioners lately. I remember—

Mr. Chevrier: I should like to raise a point of order, if I may, Mr. Speaker. I do not want to interrupt the thought of my hon. friend, and I am almost prompted to apologize to him for interfering with his remarks; but I think I should bring to the attention of the Speaker a matter which has been brought to my own attention only quite recently. I think the house will want to have this information before the discussion proceeds any further.

Mr. Coldwell: That is all right.

Mr. Chevrier: I would like the house to understand that I am not objecting to any discussion on the subject of freight rates, nor do I want to prevent the discussion in any way; on the contrary, I am prepared to deal with it. But my understanding is that the application to which my hon. friend heard a reference over the radio is not in fact an appeal from the judgment but is nothing more or less than an application to review, amend and vary, under section 51 of the Railway Act, the decision on the 20 per cent application. In order that there might be no difficulty about this matter I thought I should, in fairness to the house, obtain from the chairman of the board of transport commissioners a statement as to what the position is. I should like to put the statement on the record and let you, Mr. Speaker, decide; and I think the hon. member will see for himself what the present status is. After this letter is put on *Hansard*, if Mr. Speaker decides that we should go on with the discussion, I am quite satisfied; but before the discussion proceeds, I think we should have this statement before us. I asked the chairman yesterday to send me a statement, and I received it this morning.

Mr. Speaker: May I ask the hon. member to make it clear to me and to the house to what body the application is being made? I understood the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to an application to the governor in council. Is the application to that body or to some other body?

Mr. Chevrier: The application to which my hon. friend refers is the application which was made to the board of transport commissioners, and the decision which was handed down granting an increase of 16 per cent, plus also an application recently made by the Railway Association of Canada to increase the rates by 3·4 per cent.

Mr. Coldwell: Will the minister permit a question?

Mr. Chevrier: Yes.

Mr. Coldwell: I heard a very short report at one o'clock. It stated that seven of the ten provinces excluding Ontario, Quebec and Newfoundland had now joined to make a protest to the governor in council. My impression was that it was an appeal to the governor in council. Already two provinces, Saskatchewan and Manitoba, have appealed to the board of transport commissioners. As I understand it, this is something new.

Mr. Chevrier: I am not in a position to answer that. I am not aware that there has been an appeal, save that I have seen in the press that there is to be one. If there is one, unquestionably this becomes a matter of which Mr. Speaker should take cognizance, as to whether or not it is debatable at this time.

Mr. Speaker: The point I should like to have cleared up definitely is whether the present application is to the governor in council or to the board of transport commissioners. If it is before the governor general in council I would say offhand that probably there would be freedom of discussion in the house. If the application is before the board of transport commissioners, the matter would then be sub judice, since the board is a court of record and debate thereon would not be permitted in the house.

Mr. Chevrier: It is clear that at the present time there is an application pending before the board of transport commissioners for an

increase of 3·4 per cent, which takes the form of an application to vary, rescind and amend the judgment of 16 per cent. I should like to place this document on the record; it will give a clearer explanation from the chairman of the board himself as to where the matter stands.

Mr. Coldwell: I do not want to interrupt the minister, Mr. Speaker, but I am not going to deal with the 3·4 per cent increase. What I am going to deal with, if he will let me proceed, is something concerning the railway situation generally, and not specifically the question which the minister has raised. Let me point out that on March 5, 1947, a somewhat similar matter, which had arisen previously, was dealt with. On that date you yourself, sir, as Deputy Speaker, read a memorandum to the house which had been prepared by the then Speaker. It was a fairly long memorandum, and it dealt with the right of the house to discuss a matter that was then before the board of transport commissioners. The last paragraph of the memorandum reads as follows, as recorded at page 1051 of *Hansard*:

In making this statement, I have not overlooked the fact that the only discussion excluded by the rule is the matter actually before the board of railway commissioners, namely, an application by the railways for an increase in freight rates. I ask, therefore, that the members keep in mind the rule to which I have referred in speaking in this debate and in any debates which may follow while the matter is sub judice.

Mr. Speaker: In view of what the hon. member for Rosetown-Biggar has read, perhaps the house would like to know just what application is before the board of transport commissioners.

Mr. Chevrier: Then, Mr. Speaker, if I may I shall proceed to explain to the house what is the present position. I hold in my hand a letter from the acting chairman of the board of transport commissioners, Mr. Wardrope. It reads as follows:

March 20, 1950

Dear Mr. Chevrier:

In response to your verbal request as to the present situation with regard to the application of the Railway Association of Canada for a 20 per cent increase in freight rates, I beg to state as follows:

The board by its judgment of March 1 last and for the reasons given authorized a general increase, subject to exceptions, as set out in its order No. 74034, dated March 1, 1950, of 16 per cent.

Subsequently, by application dated 10th March, 1950, the Railway Association of Canada, on behalf of its member companies as mentioned in schedule A attached to its application, has applied to the board for an order under section 51 of the Railway Act changing, altering or varying the above order in the manner set forth in the application and upon the following, among other grounds:

1. That in its said judgment dated February 28, 1950, the board erred in not authorizing such a percentage of increase in the said tolls and rates as was required to make good the total revenue deficiency of $29,971,700 determined by the board in its said judgment and based upon the adjusted results of railway operations of Canadian Pacific Railway Company for the year 1949 which the board used as a measure of the needs of all railway companies parties to the said application.

2. The board was in error in authorizing an increase of only 16 per cent in said tolls and rates in that such increase would have provided an increase in revenues to Canadian Pacific Railway Company based upon the traffic volume in the year 1949 of only approximately $22,300,000 instead of providing a rate of increase that would have met the total revenue deficiency determined as aforesaid by the board amounting to $29,971,700.

3. That the formula adopted by the board in its judgment dated September 20, 1949, upon review of its said judgment dated March 30, 1948, was, according to the judgment dated February 28, 1950, given full effect to in arriving at the said deficiency of $29,971,700, but the board nevertheless made the error of further adjusting said deficiency in the manner indicated by the following paragraph of the said judgment dated February 28, 1950:

"As the majority judgment of September 20, 1949, reviewed the decision in the 21 per cent case and determined that the latter should have been 15 per cent, and also incorporated such modification in the 8 per cent interim award, it is necessary to modify the above stated deficiency accordingly."

4. That the errors above set forth constituted errors in law in that the board by its said order No. 74034, having established a total revenue deficiency for the Canadian Pacific Railway Company of $29,971,700, failed to authorize such an increase in the said tolls and rates as would make good such deficiency and thereby failed to perform its duty under the Railway Act to fix and determine just and reasonable rates and to change and alter rates as changing conditions or cost of transportation required.

Applicants further request that the board extend the time within which applicants may apply to the board for leave to appeal to the Supreme Court of Canada under subsection 3 of section 52 of the Railway Act from the said judgment dated February 28, 1950, and the said order No. 74034, until one month after the disposition by the board of the application herein made for an order changing, altering or varying the said order No. 74034.

The acting chairman goes on to say:

On notice of motion served by the applicant upon the respondents and returnable today, there appeared before the board this morning counsel for the applicant and counsel for respondent provinces for the purpose of fixing a date for the hearing of the said application.

Owing to its present commitments and commitments of some of the interested parties, the board was unable, at this time, to fix a date and has taken the matter under consideration.

Yours very sincerely,

Hugh Wardrope

Mr. Stewart (Yorkton): Has the minister a copy of the submission on freight rates which was made to the royal commission on transportation?

Mr. Chevrier: Yes.

Mr. Stewart (Yorkton): I wonder whether he would give it to the house.

Mr. Coldwell: Mr. Speaker—

Mr. Speaker: I think the hon. member for Yorkton wanted to ask a question.

Mr. Stewart (Yorkton): May we have the submission to the royal commission on freight rates? I wish to raise an objection, on a point of order.

Mr. Chevrier: I have that, but could we not stick first of all to the matter which is now before the board of transport commissioners? I take it my hon. friend has in mind the matter which is before the royal commission on transportation.

Mr. Stewart (Yorkton): May I speak to the point of order?

Mr. Speaker: No point of order has been raised. We have been endeavouring to clarify the position of the application before the board of transport commissioners, and that has been clarified. We have had a statement of the position. I now call upon the hon. member for Rosetown-Biggar.

Mr. Coldwell: Under the circumstances, and knowing what the circumstances were, I had no intention this afternoon of discussing questions raised in the memorandum of the acting chairman of the board of transport commissioners. I realize that it does alter what I would have said, had those appeals not been made.

I wish to discuss the railway problem as it very largely affects all the people of Canada, and I shall avoid dealing with matters in the memorandum the minister has read into the record.

Let me say first, Mr. Speaker, that I think all hon. members will agree that transportation in Canada is of fundamental importance to all the people of this country, wherever they may live. It does not matter whether they live in the central provinces, the maritimes, the prairie provinces or British Columbia. We are all vitally interested in this problem. It does not matter whether we consider it as a problem of transportation of Canadian goods from one part of Canada to another, or whether we think of it as a matter of vital interest in the defence of this country; the transportation system is a matter of great concern. Indeed, the fathers of confederation recognized this in 1867 when one of the considerations upon which confederation was achieved was the building of a railway line across the country to link British Columbia with the rest of Canada. When that was done the people of this country gave much encouragement to the transportation company which obtained the charter. I think it would be well if, in thinking of this whole transportation problem and the question of freight rates, hon. members would look over the debates following confederation, between the years 1874 and 1884. They would do well to read the debates of those ten years and refresh themselves on the matters which came to the attention of parliament in those days. If they do so they will agree that there is every reason in the world why the people of Canada should view with alarm the trend which has occurred in recent years in connection with our railways and their services.

Indeed at that time, in 1880 as in 1874, it was actually the opinion of the house that the best way to deal with railway construction in Canada was to construct railways under a publicly-owned plan. But, as those who are familiar with our Canadian history will remember, that idea was abandoned, and the Canadian Pacific Railway Company was granted a charter. We see what amounted to a gift, if we put it in cold cash, of some $62 million, in two forms. First of all the company was granted $25 million in cash. The other $37 million was made up by the transfer of 700 miles of railway already completed by the Mackenzie government and valued at something over $37 million. In addition to that, as hon. members know, there was a grant of 25 million acres of our western lands. Again I am sure that most hon. members know that while the making of large grants had been the practice in the United States, there was one variation in that the Canadian Pacific Railway Company had this advantage: that if land adjacent to the railway in one township was not satisfactory, they could substitute for it land elsewhere. In the 700 miles of railway owned by the people of Canada, I should have added, was the very valuable Pembina branch of the St. Paul and Pacific railway, which at that time was regarded as one of the most important routes in this country and indeed it is still.

I wish to get this on the record: that in addition to these grants in cash and in acres of land, they also received exemption from taxation on their railway property and on their capital stock, and exemption from customs duties on supplies they required to import.

Mr. Stewart (Yorkton): Mr. Speaker, I am rising to a point of order, not for the purpose of limiting my hon. friend's speech, but because I too wish to speak on this subject. I should like to have a ruling on it.

Mr. Coldwell: Just a moment; instead of interrupting me, would not the hon. member be better to raise the point of order if he desires to speak subsequently?

Mr. Stewart (Yorkton): No.

Mr. Coldwell: I have already been interrupted several times.

Mr. Speaker: The hon. member for Rosetown-Biggar has been interrupted several times. Perhaps I should point out to the hon. member for Yorkton that it is not usual for Mr. Speaker to give a ruling in anticipation or to express an opinion on a hypothetical point of order.

Mr. Stewart (Yorkton): Well, I am calling for it.

Some hon. Members: Sit down.

Mr. Speaker: The point of order would have to relate to the remarks already made.

Mr. Stewart (Yorkton): I understand that. In order that a limitation on the debate may either be made or not made, and as I intend to follow my hon. friend, and do not wish my speech limited any more than his—

Mr. Speaker: Yes; just state the point of order.

Mr. Stewart (Yorkton): The point of order is that under citations 251 and 252 this subject is sub judice, in that this matter is before the board of transport commissioners, which is a court of record. Then there is this further point: that a royal commission has been appointed to go into the whole matter of freight rates and to consider the very matters to which my hon. friend has already referred, including the history of the C.P.R., gifts of land to the company, and other factors.

Citation 490 states that on March 30, 1933, when the committee of supply was considering the estimates of the Department of Justice, a member endeavoured to discuss the finding of a royal commission appointed to investigate charges against a county court judge. The citation points out that the chairman ruled that the report not having been brought down, the matter was still sub judice, and the discussion could not take place. On an appeal to the house the chairman's ruling was confirmed, without a dissenting voice.

In this instance there is a royal commission going into the whole matter of freight rates. Personally I would like a discussion in the house; but if the rule is there, I submit I am bound by it, and so is my hon. friend. The royal commission has not yet reported.

Mr. Speaker: The point raised by the hon. member for Yorkton is, as I understand it, that at the present time a debate should not be permitted on any matter affecting transportation because a royal commission has been set up to inquire into that matter. I take it that that is the point of order raised.

Mr. Stewart (Yorkton): Yes.

Mr. Speaker: The hon. member has quoted as his authority citation 490 in Beauchesne's third edition, which refers to a royal commission set up to deal with certain charges against a county court judge. I should like to quote from the citation:

> A member endeavoured to discuss the findings of a royal commission . . . The chairman ruled that the report not having been brought down, the matter was still sub judice and the discussion could not take place.

I think the reason for that ruling was that it was a judicial matter, a charge against a judge, and that members were endeavouring to debate the findings in a report not yet brought down by the royal commission. I have never thought that because a matter has been referred to a royal commission it cannot be discussed generally in the house at the same time. I have no precedent to this effect, but there is a precedent to the effect that when a matter is referred to a committee of the house it can be discussed in the house, but the house cannot refer to the procedure and evidence in the committee before it has reported.

It seems to me that a similar principle might well govern the reference of a matter to a royal commission and that citation 490 of Beauchesne's third edition lends support to this view.

I would accordingly rule that it is not out of order to discuss transportation problems generally when such matters have been referred to a royal commission. On the other hand, I would also rule that reference should not be made to the proceedings, or evidence, or findings of a royal commission before it has made its report.

Mr. Coldwell: Thank you, Mr. Speaker.

Mr. Speaker: I thank the hon. member for Yorkton (Mr. Stewart) for bringing the matter to my attention. It was a new question for me, and I hope my ruling meets with the general approval of the house.

Mr. Coldwell: Thank you, Mr. Speaker. I hope the interruptions will not be counted in my forty minutes, because if they are I believe I would only have about five minutes left. Therefore I am going to ask your indulgence in that respect.

With reference to your ruling, sir, may I also say that I think it is one that we would expect. Last year I remember that when the hon. member for Eglinton (Mr. Fleming) wished to discuss the subject of radio broadcasting, which was then before a royal commission, he was permitted to do so. It was believed to be quite in conformity with the rules of the house, and the Prime Minister (Mr. St. Laurent) said so at that time.

When I was interrupted I believe I had just remarked that, in addition to the other concessions which were granted, the Canadian Pacific Railway Company had exemption from certain customs duties on the materials required for the construction of the railway. There was the deletion of course of the provision that was in the act of 1874 to the effect that under certain circumstances the government might step in and take over the railway. Out of this gift a great railway system was established. Later, by further guarantees and by grants of land from the provinces, particularly the province of British Columbia, the financing of the railway was made possible, and indeed largely undertaken one way or another by the people of Canada.

In "The Life of Gladstone", by John Morley, there is a most interesting paragraph. In 1844 Mr. Gladstone was president of the board of trade of Great Britain, and at that time the many lines of railway were just being built in that country. Morley's "Life of Gladstone" records that:

> Mr. Gladstone proposed a select committee on the subject, guided its deliberations, drew its reports, and framed the bill that was founded upon them. He dwelt upon the favour now beginning to be shown to the new roads by the owners of land through which they were to pass, so different from the stubborn resistance that had for long been offered; upon the cheapened cost of construction; upon the growing disposition to employ redundant capital in making railways, instead of running the risks that had made foreign investment so disastrous. It was not long, indeed, before this very disposition led to a mania that was even more widely disastrous than any foreign investment had been since the days of the South Sea bubble. Meanwhile, Mr. Gladstone's Railway Act of 1844, besides a number of working regulations for the day, laid down two principles of the widest range, reserving to the state the full right of intervention in the concerns of the railway companies, and giving to the state the option to purchase a line at the end of a certain term at twenty-five years' purchase of the divisible profits.

If you will read that carefully you will find much of what Mr. Gladstone tried to prevent in Great Britain occurred some forty years later in our own country.

Yesterday, I believe it was—and I think this is material to any discussion of railway problems in the house—I read a report in the press of a statement made on behalf of the Canadian National Railways by the new president, Mr. Donald Gordon. When you look back over the story of the consolidation of various lines of railway into the Canadian National Railway system you can see many reasons why it is we find ourselves faced with the difficulties that confront us today, particularly when you consider the building of redundant lines and the taking over of other facilities that were not at all remunerative. I recommend to hon. members that they procure from the library—there is at least one copy there—the decision of a former president of the United States, who at the time was Mr. Justice Taft, in connection with the board of arbitration of the affairs of the Grand Trunk Pacific in 1921, I believe it was. Operating in this country, the Grand Trunk Pacific was found by Mr. Justice Taft to have engaged in all kinds of methods in order to deceive both the people and the government of Canada.

I am not going to go into this matter at any length, although I have before me a part of Mr. Justice Taft's reasons for dissenting from the award made in the case of the Grand Trunk arbitration. It shows how profits were concealed; it shows that when the time came for the government to take it over, values were inflated, and it indicates the manner in which this was done secretly by the board of directors in London at that particular time. Unfortunately what may be said of the Grand Trunk Railway, and its concealment of various factors of material interest to the people of Canada at the time we took over the Grand Trunk and the Grand Trunk Pacific, is true in large part of the early history of all railways, not only in Canada but indeed in the whole of North America.

Therefore I say that from time to time these railways have been built up out of great concessions made to them by the people of Canada. For example, the Canadian Pacific, in addition to the concessions I have enumerated, have from time to time actually been relieved of obligations that they undertook in regard to some of their railway operations.

Look at the Crowsnest pass agreement, for example, under which the government of Canada and the government of British Columbia made large grants to the railway. In return western Canada was to receive certain concessions with respect to the rates on various types of commodities. If I may give a few examples, the rates on green and fresh fruits were reduced by 33⅓ per cent; on coal oil by 20 per cent; on cordage and binder twine by 10 per cent; on agricultural implements of all kinds, set up or in parts, 10 per cent; iron, including bar, band, Canada plates, galvanized, sheet, pipe, pipe fitting, nails, spikes and horse shoes by 10 per cent; roofing, felt, boxes and packing by 10 per cent; all paint and oils by 10 per cent; livestock by 10 per cent; woodenware by 10 per cent and household furniture by 10 per cent.

Those of us who know the history of Canadian railways recall that in 1919, under the stress of war and post-war conditions, that agreement was temporarily set aside and the reductions in those classifications, together with the rates on grain then established, no longer applied. In 1922 this parliament—I

remember it very well; though I was not here I followed it very closely—restored the rates on grain but did not restore the rates on these other commodities. In 1925 they were actually abolished by an act of this parliament, thereby imposing a greater burden on western Canada in the interests of the railway than it had theretofore borne. For a number of years there has been continuous propaganda on the part of the railways to get rid entirely of all that remains of that rate which was adopted as part of a definite agreement in return for grants and concessions made in 1896 or 1897.

So bit by bit we have seen our railways become more and more burdensome on the people, at least in two parts of Canada. Those two parts are the prairie and British Columbia region and the maritime regions, though to some extent the maritimes have been relieved by certain subsidies and subventions. Not only did the government of Canada make substantial money grants to the Canadian Pacific Railway, as I have said; British Columbia did the same thing. At that time these concessions were regarded as of vital importance to the very small number of people then living in the prairie region, and the not much larger number of people living in British Columbia. These rates went into effect in 1898, though the agreement was made a year or two earlier. Since that time the population of the prairie region has increased by leaps and bounds, and one would think that because of the increased volume of business the reverse would have happened and instead of the burden becoming heavier it might have become lighter.

Then, of course, these burdens have not all been spread evenly over the country. Where you have a high basic rate and an increase is given on that rate it imposes a further burden, and makes the rate still more discriminatory than it was before. That is one reason I hope that when these matters are thoroughly considered by this house special attention will be given the matter of discrimination in our rate structure. The across-the-board, horizontal increases that have been made over the years—I am not discussing necessarily the recent increases—have imposed a burden upon some parts of the country greater than that imposed upon others. We must remember that there have been times when the cost of moving commodities from one part of Canada to another has almost equalled the value of the commodities themselves. If we look at the record of the thirties we can see how that worked out. I do not need to quote any freight rate to bring this home to hon. gentlemen. I do not need to discuss the possibility of rates being increased through the abolition of the concessions made under the Crowsnest pass agreement. If we look at 1925, when our own parliament passed a statute settling the controversy that then existed in the country and which so many of us remember so well, the average farm price of wheat in Saskatchewan was $1.23 a bushel. In 1927 it dropped to $1; in 1928 to 80 cents; in 1929 it went up to $1.05. In 1930 it actually fell to 49 cents and in 1931 to 38 cents; someone else was in power then. In 1932 it dropped to 35 cents; in 1933 it went up to 49 cents and in 1934 to 61 cents. By 1939 it was back to 54 cents and in 1941, the second year of the war, it had only risen to 61 cents. By 1942 it was still only 77 cents. In 1947, which incidentally is the last year for which I have been able to get the average farm price from the bureau of statistics, as a result of the wheat agreements and world conditions it was up to $1.54 a bushel.

So we can see how railway transportation and the rates charged for moving commodities from one part of this country to another have a great effect on our economy. If there should be any further imposition, and particularly if we should go into a period of decline in farm prices, it might be conceivable that the cost of moving farm commodities and particularly wheat, the great commodity in which many of us are interested, from where it is grown to the seaboard might equal or even exceed the value of that commodity on the farm. That indicates how disastrous the situation would be not only for the farmers on the land but for the whole economy of the country; because I say—and I am quite sure many hon. members will agree with me—that the prosperity of this country depends in no small measure upon our agricultural production and particularly the wheat economy of Canada. I remember hearing a statement made some years ago—speaking from memory I believe it was made by a former prime minister of this country, a former leader of the Progressive Conservative party, Viscount Bennett, but at least someone said—that no comparable group of people in the history of the world had produced as much new wealth in as short a space of time as the men and women engaged in the production of grain in the prairie provinces. Whoever made it, I believe that is a correct statement of fact. The millions and indeed billions of bushels of wheat that have been produced over the years have brought to this country new wealth exceeding that produced by any other industry or group of people in Canada. Consequently, those of us who come from western Canada are tremendously interested in this railway problem; whether it be the Canadian National or the Canadian Pacific; whether it be service

or whether it be rates. The prosperity of the region we represent in this house depends to a considerable extent upon the relationship of the railways to the economy of this country. We must remember that, so far as we are concerned in the prairie provinces, we have not any competitive transportation system to influence the cost of moving the commodities produced there. We have not the water; we have not the canals; we have not any of those facilities which tend to keep costs down. There is only one means of transporting what there is to sell.

The other day I saw in one of the newspapers a concrete outline of how this works. For example, the cost of taking 100 pounds of petroleum products 50 miles, say to Indian Head from Regina, was 26 cents; while from one point to another covering the same distance and the same weight, in Quebec it was 10 cents and in the province of Ontario it was 9½ cents. I believe that indicates what I mean by the need for some equalization, the need for removal of discrimination from rates.

Then, of course, when you look at the railway properties, you realize that perhaps the railroad as such is compelled to bear the whole burden of rates when, originating as many of these properties have in railway operations, things like telegraphs and profit from hotels, when there are profits, and other subsidiaries, should be included in the earnings of the railway. I noticed in dealing with the Grand Trunk Pacific, and the opinion that was given in the minority report by the late Mr. Justice Taft, as he was then, he refers to the costs, not of operation but of maintenance. He refers to how the Grand Trunk Pacific and the Grand Trunk railways, in the negotiations with the government of Canada, and in the evidence that was given before the tribunal in 1921, by manipulation of maintenance costs, had been able to give a picture that was not accurate. Indeed, from time to time, I believe all railways have done that sort of thing. It is that sort of thing that needs to be investigated thoroughly by any royal commission, or any board of transport commissioners.

I am not going to refer to the evidence that has been given in this matter quite recently because, as I say, I am not going outside the rules of this debate, when I have the opportunity of dealing with it now in the manner in which I am trying to deal with it. I merely point out that all those factors should be taken into consideration. I think perhaps I must conclude—I see Mr. Speaker getting uneasy. But before I do so there is one matter that is outside this discussion which I want to bring to the attention of the house. This does not deal either with anything before the board of transport commissioners, but concerns the unfairness of the law or regulations covering the collection of freight charges. Incidentally, I have here a file given me by a grain merchant in eastern Canada. It indicates that time and again, after he had collected the price for a carload or half carload of grain based on the rate he secured from the railway company, weeks and sometimes months afterwards, he was told the proper rate had not been charged, so he owed the railway a further sum of money.

Mr. Fulton: I hope he did not pay it.

Mr. Coldwell: Yes, he paid it. I believe that is something the Minister of Transport should have investigated. Perhaps in a debate of this sort it may be a minor point, but it is something which should be looked into. It should not be possible for merchants to be faced with demands for large sums of money sometimes months after deals have been completed, on the basis of the freight rates quoted by the railway.

I am not going to trespass further on the time of the house, Mr. Speaker, but I did want to raise this problem, because I believe that members in all parts of the house should have an opportunity of saying something about reorganizing our transportation system to remove the discrimination that now exists, and affording better opportunities for our people to move commodities from one side of this country to the other.

Hon. Douglas Abbott (Minister of Finance): I rise, not for the purpose of intervening in this discussion of the important matter of transportation in Canada, but to explain my position as Minister of Finance, with respect to the final supplementary estimates, and the interim supply which I hope we shall be able to vote today. I discussed this matter with the leaders of the various parties a day or two ago, and explained that, in connection with the final supplementaries in particular, there were one or two items which it was important should be voted within the next day or two. Those two items are the further appropriation required under the Veterans Land Act of about $700,000, and the item for unemployment assistance in Newfoundland where the existing votes have run out. If things are to be continued, we must get the appropriation voted within the next day or two.

I hope that, before we conclude tonight, it will be possible to pass the supplementary estimates, and the relevant supply bill founded on them, as well as the interim supply for April and May of the new fiscal year, which commences on April 1. I do not know how much time the house may wish to take in considering the supplementaries. As the house knows, the final supplementaries are to

pay bills. There is no change of policy involved. Probably if we could conclude the discussion of this matter by six o'clock, it would be possible to get this through in two hours this evening. I am simply making this appeal to members who feel they have to speak on this important matter, to restrict their remarks as much as possible. There will be other occasions on which it can be discussed, and I hope it will not be necessary to provoke a general debate on transportation problems today because, as I have said, it is essential to get this other business through if it is at all possible.

Mr. A. C. Stewart (Yorkton): In view of what the minister has said, I shall shorten the remarks I intended to make on the matter of the Crowsnest particularly, and freight rates generally. The matter is of great interest to the people of western Canada, and to the members from that area.

Mr. Speaker: The hon. member has referred to the Crowsnest pass rates. It is not my understanding that that question is before the board of transport commissioners. If my understanding is correct, I would have no objection to the discussion of that matter, but I think the question of freight rates generally would be out of order at this time, in view of the application which is now before the board of transport commissioners.

Mr. Stewart (Yorkton): It was for that reason I raised the point I did a short time ago. The hon. member who just preceded me did raise the question of the Crowsnest rates.

Mr. Coldwell: On a point of privilege, I did not discuss the Crowsnest pass rates.

Mr. Stewart (Yorkton): You referred to them.

Mr. Coldwell: I referred to the Crowsnest pass agreement as one consideration in the building of a railway.

Mr. Stewart (Yorkton): What I have to say refers to the Crowsnest agreement which covers the rates.

Mr. Speaker: If the question of the Crowsnest pass rates is now before the board of transport commissioners, it would be sub judice and could not be debated in the house at the present time. I think that is clear.

Mr. Chevrier: In order to clarify the matter, I would say that the matter of the Crowsnest rates is not before the board of transport commissioners but the subject matter has been referred to the royal commission on transportation. I also obtained from the secretary of the royal commission on transportation a statement concerning the matter. It is quite lengthy and I do not want to burden the house with it; I summarized it in what I said.

Mr. Stewart (Yorkton): As a matter of fact, there is a decision of the supreme court on the matter of the jurisdiction of the board of transport commissioners in connection with the Crowsnest rates, and that decision is that they have no jurisdiction over them or over the agreement. So the matter is not properly before the board, if it was before them. In any event, it has nothing to do with this last submission which is before the board, namely, an increase of three and a half per cent in the general rate on the basis of a mistake which was made in the former judgment. That is the only submission that is before the board of transport commissioners now, as I understand it.

In the first place, I want to point out, as has been pointed out in the report, that what was before the board of transport commissioners was the original application for a twenty-one per cent increase. Finally sixteen per cent was granted.

Mr. Speaker: Order. I do not think I shall allow discussion on that question. The minister has stated the situation. In fact, he has read the application which is before the board, and that application does refer to the very matters which the hon. member for Yorkton is now mentioning. I would ask him not to discuss that question nor to bring it to the attention of the house.

Mr. Stewart (Yorkton): I am not going to discuss it. I am just delimiting what is before the board. I am not going to discuss what is happening before the board.

In connection with the Crowsnest agreement, I want to say that thirty-two of the western Liberals who are now sitting in this House of Commons met as soon as some announcement was made that the Crowsnest agreement was the subject of attack by the C.P.R. Those western Liberals sitting in this parliament on November 16, 1949, signed a document which reads as follows:

> Thirty-two western Liberal members of the Commons said Tuesday they would fight any recommendation to remove western Canada's low freight rates on grain and grain products, which has been proposed before the royal commission on transportation. The proposal has been made by the Canadian Pacific Railway, which contends that the statutory "Crowsnest pass" rates are not paying their way. Leslie Mutch, veterans affairs parliamentary assistant, Tuesday issued a statement signed by the 32 members declaring a recommendation for any change in the rates would be met head-on by them in a "no quarter" fight.
>
> The statement said the western members have discussed the C.P.R. "threat" at length and "desire to protest any action which would seek to implement the C.P.R. brief in this regard."
>
> They added the Crowsnest rates are "essential to the welfare of western Canada" and were "bought and paid for" by the west.

Mr. Drew: Mr. Speaker, I have no desire to limit the debate; but in view of the request that was made by the Minister of Finance (Mr. Abbott) I thought it should be understood whether or not this is to extend into a debate on freight rates, because the remarks which have just been made and which are being put into the record by the hon. member have no meaning whatever unless they relate to his views as to what should or should not be permitted with regard to rates.

Mr. Stewart (Yorkton): No.

Mr. Speaker: Order. I understood that the hon. member for Yorkton was referring to the Crowsnest pass agreement which sets forth certain rates. I also understood the Minister of Transport (Mr. Chevrier) to say a moment ago that that question was not now before the board of transport commissioners.

Mr. Drew: Oh, it is, very definitely.

Mr. Fraser: It is before the royal commission.

Mr. Speaker: If I understood the Minister of Transport correctly, he stated that the present application before the board of transport commissioners does not affect the rates charged under the Crowsnest pass agreement. If that is so, that question is not sub judice.

Mr. Ross (Souris): That matter was argued the other day in the courts.

Mr. Chevrier: That is so.

Mr. Knowles: May I ask one question with respect to the point of order? I am asking my question of the hon. member for Yorkton (Mr. Stewart). In the statement that he is in the midst of reading he indicated that the Canadian Pacific Railway made certain critical comments—

Mr. Stewart (Yorkton): Mr. Speaker—

Mr. Knowles: Just a minute. As I say, he has indicated that the Canadian Pacific Railway made a protest against the Crowsnest rates. May I ask where the Canadian Pacific Railway made that protest?

Mr. Ross (Souris): I rise on the point of order, Mr. Speaker. I desire to make some remarks on this matter in this debate today. Now that the point of order is raised, may I say that this very matter of freight rates under the Crowsnest pass agreement was argued within the past few days right over in the law courts, before the royal commission on transportation, because I have some of the evidence before me. If one member in one corner of the house can argue this matter I think we should all be entitled to do so. I am greatly concerned about the matter, and I want to advance arguments along the same lines as those that have been put forward. The matter has been argued before the royal commission on transportation in the last few days.

Mr. Speaker: First of all, may I say to the hon. member for Souris (Mr. Ross) that if one member is allowed to discuss the matter, every member will be allowed to discuss it if he wishes to do so.

Mr. Ross (Souris): I grant you that, Mr. Speaker.

Mr. Speaker: I should like to refer back to the question which was asked by the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member for Yorkton referred to an application. If that application is now before the court or the board of transport commissioners, it would be sub judice and not debatable in this chamber.

Mr. Coldwell: May I just say one word on the point of order, Mr. Speaker. I have sent my notes up to *Hansard*, but I had in my hand a copy of the evidence given before the board of transport commissioners in connection with the Crowsnest rates.

Mr. Ross (Souris): Certainly.

Mr. Coldwell: That is why I did not deal with them.

Mr. Speaker: In view of what has been said by the leader of the opposition (Mr. Drew) and by the Minister of Finance (Mr. Abbott), I wonder if it would meet with the wishes of all hon. members of the house if the question of the Crowsnest rates were not debated at this time? If hon. members agree I will not make a ruling.

Mr. Stewart (Yorkton): In view of the fact that the Minister of Finance wants to go on, I would agree; but I want to put on record that I am greatly surprised that western members are impeding any discussion of the Crowsnest pass rates.

Mr. Ross (Souris): I want that point made quite clear, Mr. Speaker. I was trying to have the discussion broadened in order that I could debate that very issue. I do not want to have words put into my mouth.

Mr. Coldwell: On a question of privilege, Mr. Speaker, may I say this. I have just spoken, and in doing so I carefully avoided discussing the Crowsnest pass rates as such and the applications, because I thought that by doing otherwise I would not be acting in conformity with the rules of the house. Had that not been the case, I would have expressed the opinion that I have expressed over and over again over the years, namely that these Crowsnest rates must remain inviolable.

Mr. Knowles: Hear, hear.

Mr. Stewart (Yorkton): On a question of privilege, may I say that I did not intend to go into the matter of the rates at all. What I was going into was the matter of retaining the agreement.

Mr. Fraser: You wanted to read a political speech.

Mr. Speaker: In view of what has been said, is it the pleasure of the house to adopt the motion?

Some hon. Members: Carried.

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

DEPARTMENT OF FINANCE

General administration—

85. Departmental administration, $1,392,488.

Item stands.

DEPARTMENT OF TRANSPORT

459. Departmental administration, $1,012,455.

Item stands.

DEPARTMENT OF VETERANS AFFAIRS

528. Departmental administration, $2,175,279.

Item stands.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

423. Departmental administration, $482,875.

Item stands.

Mr. Abbott: We shall now deal with further supplementary estimates for the fiscal year ending March 31, 1950.

DEPARTMENT OF AGRICULTURE

Marketing service—

569. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $9,448.

Mr. Diefenbaker: Will the parliamentary assistant give the figures in connection with these cold storage warehouses and the subsidies paid to them by provinces, and in particular the payments being made to the cold storage warehouses in Saskatchewan under this act?

Mr. McCubbin: Mr. Chairman, I am sorry but I have not these figures with me. I can get them for the hon. member.

Mr. Diefenbaker: Is the parliamentary assistant in a position to give us the particulars of this item? What does it cover? Perhaps he will place on *Hansard* an answer to the question I have asked in regard to the subsidies that have been paid out during the last year to the various cold storage establishments generally across the dominion and in particular in Saskatchewan.

Mr. McCubbin: We are now dealing with the supplementary estimates, Mr. Chairman. This is an additional amount needed to cover the four or five cold storages. The amount paid out in Saskatchewan is $6,454. The amount for all Canada is $1,429,789.

Mr. Bryce: Can the parliamentary assistant tell us how many co-operative organizations have been participating in these subsidies?

Mr. McCubbin: Forty-six co-operatives.

Mr. Fraser: Can we have some information from the parliamentary assistant covering these different items?

Mr. Abbott: That will be given before we get to the other departments.

Mr. Fraser: We shall have that information?

Mr. Abbott: Yes; if not, I shall try to give it. I have been through all this in the treasury board.

Item agreed to.

Special—

570. Agricultural Products Act—to provide for losses incurred in respect of the purchase, sale and export of agricultural products under the Agricultural Products Act, including authority for the Minister of Finance, at the request of the Minister of Agriculture, from time to time, to pay amounts in the aggregate not exceeding $40 million out of any unappropriated money in the consolidated revenue fund as recoverable advances—further amount required, $350,000.

Mr. Wright: Can the minister give us the products for which this $350,000 was used? Is it the total amount used out of the $40 million that is available for the support of these products, or the payment of subsidies on the products going to Great Britain? I take it this is the item which covers the export of cheese, bacon and dairy products to Great Britain.

Mr. McCubbin: This item of $350,000 is for bacon alone. Nothing in respect of cheese is in this item. The total amount was $450,000. The estimate was $100,000. Therefore $350,000 extra had to be put in from January 1 to March 31.

Mr. Fraser: Of this year?

Mr. McCubbin: Of this year, and of the amount that we have to send to Great Britain in this year. Does that answer the question?

Mr. Wright: That answers part of it. Out of the $40 million how much was used altogether in addition to $350,000?

Mr. Abbott: These figures would not be available yet, Mr. Chairman, but I expect my hon. friend can get them. Perhaps I can get them before the committee rises.

Mr. McCubbin: I would be glad to get them for the hon. member if he wishes them.

Mr. Fulton: Is this the heading under which a payment will be made to the apple growers of British Columbia with respect to their shipment of apples to England this year? The apples came out of this year's crop. Since this amount covers the payments up to March 31, and if no provision is made here for what we hope is eventually to be approved to be paid to these apple producers, we might have to wait some considerable time before further appropriation is made. Will the parliamentary assistant say whether this item of $350,000 is sufficient to take care of the payment on the million boxes?

Mr. McCubbin: No, it would not. This is for bacon only. What the hon. member has just mentioned is under consideration, and would have to be dealt with in the next fiscal year.

Mr. Fulton: One other question. As I understand it, this item refers to the Agricultural Products Act which is the act that was passed in March of last year. That act authorizes the minister to give power to provincial boards and to enable them to exercise powers otherwise held by the federal Minister of Agriculture. Is this payment of $350,000 incurred under the act as we passed it last year—in other words, incurred on behalf of the provincial boards—or is this to cover activities which were entered into before the act of last year came into effect?

Mr. McCubbin: No, this is just for the contract price. It would have nothing whatsoever to do with the act. This amount of $40 million is the amount that was set aside to assist in the contracts.

Mr. Bryce: Canada last year made an agreement to supply 195 million pounds of bacon. We supplied only 100 million pounds. Did we send any of the quantity this year, and was it paid for at $36 at the seaboard, or at $29 at the seaboard? I hope I am making myself clear. We fell down on our contract last year. Did we send any this year to fulfil our obligation of last year?

Mr. McCubbin: Yes, Mr. Chairman. Some was sent this year to fulfil our obligation of last year. There was a certain amount of bacon, Wiltshire sides, in storage at the latter part of the year. They were not sent until the beginning of this year, and they were sent at last year's price.

Mr. Bryce: Sent at the $36 price?

[Mr. Wright.]

Mr. McCubbin: Yes.

Mr. Bryce: And the farmer got paid the new price?

Mr. McCubbin: No.

Mr. Bryce: Oh, yes.

Mr. McCubbin: Oh, no.

Mr. Bryce: Oh, yes. The packer got $36 f.o.b. seaboard, and the farmer back in the country was getting $24 at Winnipeg. That is not fair, far from it.

Mr. McCubbin: Mr. Chairman, the farmer who was selling hogs on the 1st of December and the latter part of November last year was receiving more than $24, and that was the bacon that was being sent to Britain the first of this year.

Mr. Bryce: I am not going to take up the time of the committee, Mr. Chairman, but I would like to debate that with my hon. friend. I was in Winnipeg. The price was $24 a hundredweight, and increased to $26. But here the packer was still getting the old price of $36—right to this year.

Mr. Cardiff: I understood the parliamentary assistant to say that $350,000 was paid out for bacon alone. What about the subsidy on butter?

Mr. Abbott: Perhaps I might give a word of explanation on that, because it comes under the Agricultural Products Act. My understanding is that this bacon is purchased by the meat board at a contract price. This $350,000, with a token item of $100,000 in the main estimates, will be sufficient to make up the difference between the price paid to the hog producer for his Wiltshire sides, and the British contract price. As I recall, there is a spread of $2.50 between the price the British will pay and the equivalent price here in Canada. This amount, together with whatever may be left of the $100,000, will be available to take care of the obligation up to March 31. There is an item in the main estimates for the year ahead to cover similar payments throughout the year.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian Affairs branch—

571. Welfare—Welfare of Indians, further amount required, $100,000.

Mr. Diefenbaker: Mr. Chairman, there are one or two references I should like to make to this item which deals with the welfare of Indians. According to the speech from the throne some amendments are to be made to

the Indian Act at this session. No doubt a further committee will be set up with a view to discussing amendments to the act.

I should like at this time to bring to the attention of the new minister one or two matters which have been called to my notice by various Indian bands. Before doing so however—and it is not a perfunctory duty I perform—I wish to congratulate the new minister upon his appointment to this department, particularly so as he comes from the constituency in which I was born, and also because of the fact that I know he has in this department an opportunity for service whereby he can contribute much to the improvement of conditions among Indians on the reserves.

Various representations have been made to me by Indians, who represent a very considerable portion of our population. Particularly is this true in Saskatchewan. Within the confines of my own constituency there are several Indian reserves. I have been consulted by Indian organizations representative of Indians in two or three provinces who have told me that they have certain matters they wish to have brought to the minister's attention, to the end that in any amendment of the Indian Act their rights under the several treaties made between Queen Victoria and their ancestors, and made as well in other parts of Canada between the Indians and sovereigns earlier than Queen Victoria, shall be preserved.

Generally their request is that before any amendments are brought in an opportunity be given to representatives from each province, and in particular to the representatives chosen by the chiefs of the various tribes within each province so that, at the expense of the country, they may be brought here to Ottawa and given an opportunity to make representations as to the things they wish to have done for the Indians in their respective provinces.

That seems only fair. For two years a committee—and a very good one—sat to consider Indian affairs. The Indians feel, as indicated by their chiefs and councils, that they have not had an opportunity properly to advance their claims and rights. On their behalf I ask the minister with his departmental officials to convene a meeting of one or two representatives from each province, to be chosen by the Indians in those provinces, so that they may be brought here to Ottawa and permitted to make their representations. They believe that they occupy a position of secondary citizenship, and that they should be entitled to equality of citizenship with all citizens. About that there can be no dispute. There is no reason whatever why they should have an inferior citizenship.

In asking for equal citizenship they also ask that there shall be no interference with, or abrogation or reduction of, their treaty rights under the several treaties made between successive sovereigns and their ancestors. The fear I hear expressed among various Indian tribes is that if they are granted citizenship the advantages such citizenship would give by way of franchise, and in other direct ways, might be offset by their losing their treaty rights, their freedom from responsibility for taxation and freedom from responsibility in connection with the administration of the game laws, and the like, in various provinces.

The minister will know that there have been a number of cases before the court interpreting the right of Indians to hunt, a right guaranteed to them under their treaty rights. I was counsel in one case, which came before the court of appeal in Saskatchewan, wherein the Indians asked the right to hunt on all unoccupied land, in pursuance of treaty rights granted to them in 1873 when that portion of western Canada between Hudson bay and the eastern slopes of the Rocky mountains was ceded to the crown. The court of appeal held that the treaty rights should be upheld, but that in so far as hunting and fishing were concerned those rights could be maintained only on unoccupied land.

The Indians want—and I believe they have a right to ask it—to have their rights inviolable, so that the treaty responsibilities entered into between several Britannic majesties and the ancestors of these Indians shall not in any way be abrogated or reduced by parliament. It is because they want the assurance that those treaty rights will be upheld and maintained in any amendments to the Indian Act that they ask to be given the opportunity to send representatives to Ottawa now, before the legislation is placed before parliament, to the end that their representations may be made, as they see it, to the foot of the throne, namely to the personal knowledge of the minister and his department.

I make this appeal to the minister today. I find among the Indian tribes a feeling of fear that their rights are going to be interfered with, and that those great rights which they cherish with such pride, and which were granted to them particularly by Queen Victoria, shall not be diminished by the action of a parliament in which—and I say this advisedly—because of the fact they have no vote, they have no representation. They ask that no amendments be made without first securing their consideration and approval of them. It is all very well to say that Indian

agents and representatives of the Indian department will be able to present to the minister and parliament the wishes and aspirations of these people, but that is not what they want. They want the opportunity to send representatives here. Ten representatives would cover all the provinces of the dominion. They want to be allowed to come here for a few days to discuss the matter with the minister to the end that any amendments introduced will meet with their acceptance instead of being the result of the interpretation of their views to the minister by departmental officials, however efficient they may be.

Second, they believe—and I think rightly so—that the time has come when they should be allowed to take proceedings against His Majesty the King in the right of the Indian affairs department without the necessity of the issuing of a fiat which is granted by another department of the government, namely, that of the attorney general. Today the situation is that among various Indian tribes—and I am speaking particularly now of western Canada—claims are repeatedly made that there has not been that care in the administration of wards of the Canadian people that there should be on the part of certain officials of the Indian department, and that moneys in the trust funds, which should be used for the purposes of the Indians, are not used in accordance with treaty arrangements. Nevertheless, if a band of Indians find themselves in that position, where do they get when they complain? Their complaint is investigated, but they cannot take proceedings unless they have the fiat of the attorney general, and that has been refused on more than one occasion.

In my own province of Saskatchewan during the years of 1930 to 1933 one or two Indian tribes took proceedings against the crown for misfeasance and malfeasance, and one of them succeeded. From then on other tribes have been denied the right of action. They ask that they be granted the right to take proceedings for the protection of their treaty rights, and for the administration of the funds of the several reserves when and if there is anything in the nature of negligence, wrongdoing or misfeasance on the part of any of the officials of the Indian department. I do not think these are unreasonable requests. Indians are not subject to conscription or to military service in any way, but when we were at war members of the reserves in every part of Canada enlisted in numbers unexcelled by any other group in the dominion.

They ask for simple justice, and it is that appeal I make to the minister today. I say to him: Do not endeavour to have amendments to the Indian Act brought in that represent nothing more than the findings of the committee to date. In order to secure the co-operation of the Indians, above all not only must good faith be maintained with them but they themselves must believe that good faith is in fact being maintained.

It is in that spirit that I appeal to the minister not only for the welfare of the Indians but also for a recognition of what their contribution has meant to this country. I urge that when amendments are introduced they should not be piecemeal, that in fact they should represent the wishes, ideals and desires of the Indian tribes everywhere in Canada.

Mr. Blackmore: Before too much time elapses after the remarks of the hon. member for Lake Centre, I wish to associate myself with what he has so ably said today. We have neglected our Indian population in a way which, in my judgment, constitutes a scandal against the Canadian people, and it appears that we have no intention of remedying the abuses of our ways of dealing with them at an early date. I think the time has come for parliament and the people of Canada to repent of our evil ways and bring forth fruits meet for repentance.

In addition to what the hon. member has just said, there are one or two more things I should like to mention. I see no reason why Indians should not be granted the old age pension. I believe that this neglect on the part of the dominion government is utterly indefensible. The Indians should have been the first to receive old age pensions. I believe that we should have a claims commission established to consider the various complaints which the Indians have against the administration to which they have been subjected through the years. There are violations of sacred treaties made between the sovereign and Indian tribes of Canada over 150 years ago which are simply flagrantly and callously disregarded. To call them scraps of paper, as the Kaiser called one of his treaties, does not begin to express the attitude which is maintained by Canadian government officials as to these treaties.

Something has to be done. The Indians with whom I have come in contact throughout Alberta are rapidly becoming more and more despondent, more and more disillusioned, more and more bitter. I maintain this condition must not be permitted to continue.

Mr. Bryce: I want to endorse what the hon. member for Lake Centre and the hon. member for Lethbridge have said. I was one of the members of the Indian affairs committee, and it has been a great disappointment to me

that nothing has been done before now after the tremendous amount of work performed by that committee. I know the committee sat each session for three years, and we had about seventy meetings at each session. It takes considerable time to go into the matter, and I do not want to do that now. I do not think a week goes by that I do not receive complaints from the Indians. It is a great problem. We set out to write a new Magna Carta for them.

The Indian problem was something that it was believed would solve itself at one time when the Indians were dying at the rate of one thousand a year. Today, with new health facilities, better hospitals and care, their numbers are on the increase at the rate of 1,500 a year. There are 135,000 Indians in the Dominion of Canada. Something must be done because a growing population like that cannot remain wards of the government. They have to take their rightful place in the economy of the country. I will speak further on this matter when the main estimates of the department come before us at a later date.

Mr. Harkness: I also should like to endorse what has been said by the three previous speakers as to our Indians, and I should like to ask the minister two questions.

First, the speech from the throne indicated that the long overdue bill designed to overhaul the entire Indian Act and bring it into line with present ideas, humanitarian and otherwise, was to be introduced this session. It is not on the order paper yet, and I should like to ask the minister when we may expect that bill to be brought forward. I am sure this will represent an extensive revision of the act, and if it is to receive proper consideration a good deal of time will have to be devoted to it and I should think it might have to be referred to a committee. So the sooner the bill is introduced the better, and I think we should have some indication as to when that may be.

Then I notice that this vote is for Indian welfare, particularly supplies and material. I am glad this additional money is being provided, and that more supplies and materials are being given the Indians for welfare purposes. My second question is in connection with the welfare payments now being made to old or indigent Indians, which I believe now amounts to $8.50 per month. That is pitifully and totally inadequate, and I should like to know if any increase in that payment is anticipated or under consideration at the present time. The Indians of Alberta have asked that this amount be increased to at least $15 a month, a very modest request, and it seems to me that at this session we should make provision in the estimates for an increase to at least that amount. Even that payment would appear very small.

Mr. MacInnis: I should like to add my voice to those who have spoken already in favour of a better deal for our Indian population. In doing so I should like to congratulate the new minister on being appointed to this very responsible office. If he does not make a good job of it I shall be disappointed indeed, because I have high hopes for him.

I think the time has come when we will have to take rather forward steps in dealing with our Indian population. In my own province of British Columbia, where we have a tendency to be a little in advance of other parts of Canada—and we always tell the rest of Canada about it—we have enfranchised the Indian population. They are now on the same basis, with respect to the franchise, as the other residents of that province. I do not think it can be very long maintained that the Indian is a citizen when he is considered as a British Columbian but a ward of the state when he comes under the jurisdiction of the federal government. While I do not believe this is the proper time to debate this issue, because the matter will come before us on the main estimates for the coming fiscal year and I also understand a bill is to be introduced, still I should like the minister to give careful thought to the matter I have just mentioned, as to whether our Indian population can be both citizens and wards of the state.

Mr. Higgins: Last session I asked a question with respect to the Indians and Eskimos in Newfoundland and Labrador, as to their status and what was being done for them; I believe that was around December 1. The Prime Minister replied that the matter was then being discussed and that it was hoped to reach an agreement with the province at some later date. Perhaps the minister can tell me the present position, and whether any decision has been arrived at.

Mr. Harris (Grey-Bruce): To deal with the last question first, I am afraid I cannot add anything to what the Prime Minister said last fall, but I shall make inquiries and see what I can get by way of an answer.

With respect to the remarks of the hon. member for Lake Centre, from his own words the committee will see how difficult this problem is with respect to the relative position of the Indian as a ward claiming treaty rights, and as a citizen; and we are studying that matter, of course, in preparing the bill. That legislation will not come before the house for some time yet. I would not want to be at all definite, but I should say it would be at

least a month before the bill will be available. At that time I hope we may be able to adopt such procedure as will meet with the approval of the whole house, and more particularly those hon. members who served on the committee three or four years ago and who were responsible in large part for the bill that will be brought forward.

As to the other question concerning the relief given the Indians, as the hon. member for Vancouver East has suggested this perhaps is not the time to debate that matter, and I would appreciate it if that part of the discussion could be left over until the main estimates are discussed. In the meantime I can assure hon. members that this question which was also brought up last session is still receiving consideration, and we may have something to say about it later on.

Mr. Diefenbaker: I notice the minister has not dealt with the one request I made, that coming from the Saskatchewan association of Indians, which I believe is under the chairmanship or presidency of Chief Tootoosis, an able and intelligent chieftain. He and other chiefs with whom I have consulted, not directly but by means of correspondence, have requested that representative chiefs from each province be given the opportunity to discuss the matter with the minister, and I should like to ascertain the minister's reaction to that suggestion. These Indian chiefs are very proud of their prerogatives and of their position, and are very jealous of the welfare of the people whom they represent. They feel they should be given the opportunity—not the privilege but the opportunity—of being personally represented here in Ottawa for a period of a few days in order to place their desires before the minister. They feel that too often when this is done through the regular channels the information which they wish to impart to the minister does not find its way to him; so I ask the minister if he will give serious consideration to that suggestion. Surely, in a day when we have representatives of various departments travelling over the world, whose expenses are not regarded as anything but proper expenses necessary for Canada to take her place in the world order, there can be no objection to the small expense connected with bringing these chieftains, many of whom have noble names and noble ancestors, to Ottawa to place their views before the minister, so that he in turn may be able to recommend the necessary amendments to the act. I ask him to consider this submission.

Mr. Harris (Grey-Bruce): The Indians have made representations along the lines suggested. It has also been suggested by many Indian bands and chiefs that we should introduce the bill and then delay action on it for some time. These Indians could then come to Ottawa and make their representations. Which of these two courses we might adopt, we are not prepared to say. I think you can take it that the minister would like to have the opinions of the chiefs, and will do his best to get them, so we will have nothing in the act that will not meet with general approval.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

The Canadian government's assessment for membership in the following international or commonwealth organizations—

572. World health organization—further amount required, $48,695.

Mr. Fleming: There are a couple of matters in connection with this item that I should like to raise. I believe the minister should make a short explanation about the amount required for the world health organization. I am particularly interested to know if it arises in consequence of the withdrawal from membership in the world health organization by Russia, the Ukraine and Byelorussia a year ago, thereby increasing the quotas of the remaining members of that organization.

The second matter, Mr. Chairman, is not directly related to world health organization, but I think it will expedite consideration of the item in committee if I mention it now. It has to do with the abduction of thousands of Greek children by the communist guerrillas. When the hon. member for Charlotte (Mr. Stuart) and I were in Greece about 15 or 16 months ago, the number of Greek children abducted by those communists, and carried across the northern borders into the communist countries to the north, was estimated in varying numbers. One figure I heard mentioned at that time was 13,000. Today I received a paper from Greece—perhaps other members of the house have received it as well—indicating the official estimate now, according to the best figures available to the government of Greece, is 28,000. They are distributed among those communist countries behind the iron curtain as follows: Yugoslavia, 11,000; Roumania, 3,800; Hungary, 3,000; Bulgaria, 2,600; Czechoslovakia, 2,200; Albania, 2,000. Those figures purport to come from the minister of social welfare for Greece.

This matter was before the United Nations at the end of November, 1948. The assembly of the United Nations condemned this abduction of children and their detention by the communist countries north of Greece. I should like to ask the Secretary of State for External Affairs (Mr. Pearson) if any active steps are in contemplation by the Canadian government

with a view to forcing this issue, so far as it is possible to force it upon those countries behind the iron curtain. Up to the moment apparently those countries have simply ignored everything that has been done through the recognized organs of the United Nations, in demanding the return of these children to their parents.

Of all the despicable tactics adopted by these communist guerrillas in Greece in pursuing their evil designs, even exceeding what they did in destroying villages and burning homes, the worst of all has been the abduction of children. They have been torn from their homes and carried across the border into these northern countries so that they could be reared as communists, taught in communist schools in an atmosphere of hatred, so that when they are old enough they might come back bearing arms against their fatherland. Nothing is more despicable, it seems to me, than this exhibition of savagery and brutality on the part of the communist guerrillas, who were deriving help from the communist countries to the north, and were, of course, under the inspiration and direct assistance of the Kremlin.

I know the problem is not a new one to the Secretary of State for External Affairs, but I bring it up now so that no one will lose sight of the matter. It is one, Mr. Chairman, that offends the elementary sense of decency of every civilized nation. I do hope, even in the face of the disregard for the expressions and demands of the organs of the United Nations by these communist countries, that something may yet be done to restore these children to their parents.

Mr. Stuart (Charlotte): I should like to go on record as supporting the statement made by the member for Eglinton. As he has stated, about 18 months ago we were in Greece and we saw conditions exactly as he has outlined. While there, I talked with parents who had lost one, two, three or four children. At that time, I remember I thought of the abduction of the Lindbergh child in the United States several years ago, and the great amount of anxiety which that caused all over the North American continent. But that was one child. I believe that the figure covering the Greek children has grown to nearly 30,000.

I have a copy of the statement mentioned by the member for Eglinton. I realize in some small way just what these people have had to contend with during the last 7 or 8 years. At the same time, I realize the enormous problem confronting the minister of external affairs. I do believe every bit of pressure it is possible to bring to bear should, in this particular case, be exerted. I believe these people should have the privilege of living in a different manner from the one in which they are forced to live today. I do want to support everything said by the hon. member, and urge upon the minister that if there is any way this terrible condition can be rectified, it would be appreciated by those people who have suffered so cruelly over the years.

Mr. Pearson: I agree with the two hon. gentlemen who have just spoken, that among all the evil and vicious actions of the communist guerrillas in Greece and southeast Europe the abduction of the children from Greece into the communist countries has been possibly the most evil and the most vicious. As the hon. member for Eglinton has just pointed out, the situation has been discussed by the United Nations assembly on two occasions. At the last assembly we succeeded in getting through a resolution which even the communist states could not oppose. That resolution, if I remember it correctly, would have made it easier for the international Red Cross to go into those countries where these children are kept and investigate, report and help repatriate them. We hope that, as a result of that resolution, some progress has been made. What it is, I am not in a position to state at this time, although I understand the situation in Yugoslavia has been greatly improved.

I believe that the director of the international Red Cross will be in Ottawa before long. I shall then have an opportunity of talking about this matter with him, and I shall be glad to follow it up to see if there is anything more we can do. If there is, we should be happy to do it.

On the other point, the increased estimate for the world health organization has nothing to do, as I understand it, with the withdrawal of the U.S.S.R. and satellite states from that organization. It arises out of the decision at the last assembly of the world health organization in June, 1949, to increase the working capital fund of the organization. The working capital fund was devised so that the organization would have funds at its disposal during the period of the year when member states had not paid their annual assessments; and to cover that period and for the future, the assembly of the organization agreed that the capital fund should be increased from $2,553,960 to $4 million. The Canadian proportion of that, on the basis of our three per cent contribution to the organization, would be about $48,000 Canadian; and that is the purpose of this sum in the supplementary estimates.

Item agreed to.

Demobilization and reconversion—

574. To provide for the Canadian government's contribution to the international refugee organization—further amount required, $402,000.

Mr. Wright: This is a further grant to the international refugee organization. I suppose the purpose of that grant is to assist in bringing people from the d.p. camps in Europe to Canada. I have run into a rather peculiar situation that seems to exist with regard to some d.p.'s coming to Canada. In some cases their passage is paid out of IRO funds, I understand, whereas in a number of other cases the relatives of the d.p.'s pay their passage. Several cases have come to my attention. The result has been that certain people coming from the d.p. camps and settling in western Canada, and whose passage has been paid by their relatives, have found themselves in debt to the extent of from two or three hundred dollars to $1,000 in the case of some families, when they reached Canada. That is a rather embarrassing and unfortunate position for them to find themselves in when there is apparently a fund for the payment of these passages. I should like the minister to tell me if he can—or if he cannot do so now, to find out—how many refugees from d.p. camps in Europe have had their passage paid by IRO funds and how many have had to pay their own passage or have it paid by relatives in Canada. I should also like to know if refunds can be made from IRO funds to these d.p.'s who have already paid their passage to Canada, or have had it paid by relatives.

Mr. Pearson: All d.p.'s who have come to Canada under the auspices of the IRO have been treated alike, and their expenses to Canada have been paid by the organization. That is one of the reasons we contribute to the organization. But there have been other d.p.'s who have come to Canada but who have not come under the auspices of that organization, but as a result of other arrangements, sometimes private arrangements and sometimes by other organizations. It would be quite impossible I think for us to ask the international refugee organization to pay the expenses of d.p.'s who do not come under the arrangements made by that organization; and I therefore doubt very much whether we could get any refund for the type of d.p. referred to by my hon. friend.

The amount of money in this estimate for the IRO is to provide for the increased contribution which is due from Canada because of the devaluation of the Canadian dollar last September. Our contribution to the IRO was paid in United States funds. As a result, this takes care of the increased amount required by IRO. It does not represent any additional contribution. An additional contribution may be made next year but that has been tabled I think in the main estimates.

It may be of interest to the committee to know that because of the work of the IRO 690,000 refugees have now been moved out of Europe or from refugee camps to other countries. It is anticipated that there will be only a small number left by the end of June of this year. Of that number of 690,000, Canada has received some 77,000; Australia, 105,000; France, 36,000; Israel, 116,000; the United Kingdom, 83,000; and the United States of America, 150,000.

Mr. Wright: Has the minister the figure as to those who have come from d.p. camps under other auspices than those of the IRO?

Mr. Pearson: No, I have not; but I will try to get that figure for my hon. friend.

Mr. Pouliot: With due respect to the Secretary of State for External Affairs, I submit that this item should be under the jurisdiction of the Minister of Citizenship and Immigration. There should be unity of jurisdiction concerning similar matters. I noticed that during the debate on national defence some hon. members were discussing external affairs and that in the debate on external affairs they were discussing national defence. We have a new Minister of Citizenship and Immigration; and I had a word of praise to say about him not long ago. He should be treated as one who has the direction of all matters pertaining to immigration, whether it is the immigration of people who are d.p.'s or not.

With regard to the foreigners who were in concentration camps in the United Kingdom after the fall of France, I remember that there was a considerable exodus of those people to Canada. The British government asked the Canadian government to take care of all those prisoners. One of them was Fuchs. At the time I asked a question of the then minister of national defence, the late Colonel Ralston, who was in charge of the Canadian prisoners camps, and he told me that he knew nothing about it. He even looked surprised when I mentioned the matter. Some of those prisoners were good people and others were not. They were anti-nazis but many of them were communists. At one camp in particular, the one at Sherbrooke, when beer was rationed two big truckloads of beer were brought to the camp for the thirsty prisoners; that was at a time when the soldiers had a small bottle for two every fortnight. That was not fair.

I have only one or two questions to ask the minister, and he may not be in a position to answer them now. I should like to know the number of foreign diplomats; and when I use

the word "diplomats" I use it in the most general meaning, including not only ambassadors but consuls, consuls general, chargés d'affaires, clerks, translators, et cetera, of foreign governments, who have come to Canada, have represented their country for a time, then have resigned their posts or have been forced to quit, and who have been accepted into Canada afterwards and have even been given positions in the service of the government of Canada. There are many of them who are here against the will of their own countries. I would like to know the number of them, their names if possible, and their present occupation. It is not that I am very much concerned about them, but it is interesting to know who are those who have come from outside. Perhaps they have very good reason for resigning their present positions, but it is quite important to have some information about them.

Speaking of everybody with Christian charity, we have a feeling for the people who have suffered in concentration camps in Germany, in Russia or anywhere else. Some of them deserve our sympathy; others do not. I presume that within a few days—and I ask my questions of both the Minister of Citizenship and Immigration and the Secretary of State for External Affairs—I shall be given the information asked for.

Mr. Thatcher: I have one question to ask. I am not clear whether or not German nationals come under the IRO. I should like to know whether they do or do not.

Mr. Pearson: I understand that at the present time German nationals do not come under the IRO arrangement.

Mr. Thatcher: I should like to know why they do not. I should also like to know why the Department of Citizenship and Immigration is so slow in clearing up this matter of whether or not relatives in Canada can bring Germans over. Germans make pretty good citizens. Many of my constituents cannot understand the government's slowness in allowing German immigrants to come to this country. I have read newspaper reports which say that something is to be done about it, but the minister does not seem to get around to it. Britain did something about it one year after the war was over, and has taken many German immigrants. I wish the minister would clear this matter up. I thought that when we had a young, vigorous, healthy minister, something would be done on this question. I should like to see some action.

Mr. Pouliot: I should like to support what has been said by the hon. member for Moose Jaw. I find it absurd to condemn anyone because he belongs to a certain race. It is pure nonsense, and that applies to Jews and Gentiles alike. What should be done would be to examine the record of each man, to know his past, and to know whether he will be a desirable citizen of Canada.

Mr. Thatcher: They should be screened, yes.

Mr. Fraser: If I remember rightly, it was mentioned the other day that certain German nationals were allowed to come into Canada. Were they allowed to come in under special order in council?

Mr. Harris (Grey-Bruce): Yes.

Mr. Fraser: Each one was allowed in under a special order in council. Who made the representation in each case, the director of immigration?

Mr. Harris (Grey-Bruce): The classes which would be treated under a special order in council were set out by the minister in a statement to the house in September. Anyone who had a near relative in the group might apply, and on his representation an order in council was granted.

Mr. Thatcher: Will the minister say why we are keeping German nationals out of this country? I suppose there is some reason for it, but I should like to know why.

Mr. Harris (Grey-Bruce): Perhaps I can answer the first question asked by the hon. member for Moose Jaw, namely, why German nationals do not come under the IRO. The IRO was set up to assist those refugees who had suffered as a result of the war, and German nationals were not included in the benefits of the IRO which operates under the United Nations.

As to the second question, why German nationals are not admitted, I think I can only give the same answer I gave the other day, namely, that it is a very large question and a matter of government policy, and we shall announce any change in due course.

Mr. Ross (Souris): I should like to ask a further question along the same line. In regard to those special cases to which the minister referred, must they be blood relations? Suppose a family had adopted a child. Would he be brought in under those regulations?

Mr. Harris (Grey-Bruce): I hope this does not develop into a debate on immigration. This is an external affairs item of the IRO. Any German national within the group set out in the house by the former minister in September—I think it was the 22nd—has

been allowed in, assuming that he is healthy, and can meet the character requirements, provided a close relative in Canada applies for him.

Mr. Smith (Calgary West): I have one question that has merely to do with the mechanics of the situation. I have in mind a displaced person who came to Canada, and who bought his release from some governmental agency. Of course he had to agree to spend one year in the occupation to which he was committed. He was an excellent fellow and a good worker. To use his expression, he bought himself out. I think that was done at the office of the department of labour in the city from which I come. Would the moneys that brought him out be IRO moneys or not? The mounted police used to speak of buying themselves out. Would that be money to the dominion, or is there some method of repayment to the IRO?

Mr. Pearson: The arrangement regarding the terms of settlement of displaced persons in Canada comes under the Department of Labour. Under this item I do not know of any way by which the IRO would be concerned with this question; nor do I know of any way by which the displaced person can buy himself out of a contract. Perhaps the Department of Labour might know more about it.

Mr. Smith (Calgary West): It comes under the Department of Labour. Then we will not bother with it.

Mr. Mitchell: I will answer it now and get rid of it. We have had the odd case where a person has not complied with the understanding—it is not a contract. What they have done is this. They have paid the price of their transportation in Canada; whether that is transferred to the IRO or not I do not know; but I will find out for my hon. friend.

Mr. Adamson: I have a similar case. A displaced person brought his brother out from a camp in Germany, and the IRO wrote asking two things: one, for the Atlantic passage, a matter of some $300 or $400 for three people; and two, the railway fare from the port of disembarkation, namely, Halifax, to Toronto. I was very pleased to send the railway fare. Is this vote for such an item as the trans-Atlantic passage? The IRO wrote and said they were very hard up and would like some payment on the trans-Atlantic passage. Unfortunately the displaced person, having been in Canada for less than a year, was unable to forward any money for the trans-Atlantic passage. Does this vote cover that expense?

Mr. Pearson: It is my understanding that this vote would cover the expenses of IRO refugees to Canada to the port of landing, and that from the port of landing other arrangements have to be made. If my hon. friend has any particular case in mind on which he would like clarification we would be glad to take it up with the director of the IRO office in Ottawa, who might be able to clear the matter up.

Mr. Adamson: That is what happened. We paid his fare from Halifax to Toronto, but not the trans-Atlantic fare.

Item agreed to.

DEPARTMENT OF FINANCE

Superannuation and retirement benefits—

575. Government's contribution to the superannuation fund, further amount required, $63,000.

Mr. Knowles: Mr. Chairman, I should like to have a word with the minister about this item, relating as it does to superannuation and retirement benefits of federal civil servants.

I do not believe this is the day for an extended debate on this question if, indeed, an extended debate is necessary; at the same time I think I should warn the Minister of Finance (Mr. Abbott), if we have not yet persuaded him of the necessity for reviewing, and reviewing favourably, the whole question of superannuated civil servants, particularly those in the lower brackets, that we shall keep on trying until we succeed.

It seems this is one of those items which, in common with the minister's estimates in general, come up at an awkward time. During the last session, from September to December of last year, they came up right at the very end.

Mr. Abbott: I introduced my department today. As the hon. member will recall, I had promised to bring it on earlier.

Mr. Knowles: I was going to say that the minister did listen to the protests last December against our having to discuss these important items late in the session, and did promise that the discussion would come up earlier this session. I am glad to know that his department is now open, and that we will get at it before long. But I stress the fact that it is not enough just to have an opportunity to discuss this matter. Rather, I feel strongly that it is time for our representations to receive better consideration than has been given them by the minister thus far.

He will realize that a few days ago, in answer to a question of mine, one which I have asked every session for a number of years, information was placed on *Hansard* showing what our retired federal civil servants and their widows are receiving by way of pensions. The figures are to be found at page 834 of *Hansard* for March 16, and they

show that out of 9,185 retired civil servants, 4,684, or 51 per cent of the total, are receiving pensions of less than $80 a month. I call attention to that figure because $80 a month is the amount of the old age pension as provided in the federal act.

Yet here we have 4,684 retired civil servants, many of whom have made contributions to their pension funds, retiring on pensions of less than that $80. One realizes of course a few of these retired civil servants will be widowers, or single persons without spouses. In most instances, however, it will be found that two people have to get along on that amount.

I realize that these figures in their totality are on *Hansard*, but I think I should point out that these 4,684 include 253 retired federal civil servants receiving pension of less than $20 a month—

Mr. Abbott: They may have served only a short time.

Mr. Knowles: That may be so, but it is still a small amount to live on.

Mr. Abbott: Presumably they have other resources, then.

Mr. Knowles: Not the ones I hear from. There are 498 who are receiving pensions of $20 to $29.99; there are 677 who are receiving $30 to $39.99; 799 who are drawing pensions of $40 to $49.99; 781 who are in the bracket $50 to $59.99; 797 from $60 to $69.99; 779 drawing pensions from $70 to $79.99; and so on. The other figures are here showing the break-down as far as $100 a month, and over.

It seems to me that it is these people in the lower brackets for whom we should be most concerned. As the minister and most hon. members know, this is a subject we have raised repeatedly over a number of years. I cannot recite the exact year in which it happened, but a point was reached in our efforts in this matter where the minister agreed to take the whole matter under consideration. He did so; but the result of that consideration was a formal statement made in January, two or three years ago, to the effect that the government felt it could not do anything to supplement these pensions, even the lower ones, with a cost of living bonus, or some other additional provision.

All questions to the minister, to the Prime Minister or other members of the cabinet since that time, have produced a reference back to that statement made a few years ago. We have been told the government felt that no further consideration of the matter was indicated. Despite that stand taken by the government, hon. members have expressed their views at times in the house quite strongly. I remember one debate a couple of years ago when ten or twelve members from various parts of the country took part, all speaking in such a way that it was made clear that this is a matter about which members feel keenly.

I have some further observations to make; but even after making them I do wish the minister to make some comment, so perhaps we had better call it six o'clock.

Mr. Abbott: You will have two or three more chances later this session.

Mr. Knowles: I am sorry to hear that. I had hoped that one of these times we would click, and that the minister would agree to consider the matter and do something for these people, thus making it unnecessary for us to speak about it three or four times this session. But if it is necessary, we will do so.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ALBERTA NATURAL GAS COMPANY

The house resumed, from Monday, March 20, consideration of the motion of Mr. Maybank for the second reading of Bill No. 7, respecting Alberta Natural Gas Company, and the motion of Mr. MacDougall: "That this question be now put."

Mr. J. W. Noseworthy (York South): Mr. Speaker, last night I attempted to emphasize that in the bills before us we have legislation concerned with the marketing of one of our greatest natural resources yet to be discovered. I called attention to the fact that our natural resources of gas and oil in Alberta are a national heritage, and that in so far as this government and the government of Alberta participate in the disposal of them they are trustees of the nation to safeguard their use for the benefit of this and future generations of Canadians. It has also been pointed out that these resources provide us with a great potential of cheap power which, if properly safeguarded and used in the interests of Canada, can contribute to the building of the nation.

As the leader of the opposition (Mr. Drew) pointed out, natural gas, oil, coal and the chemical industries that are dependent upon these things can make western Canada the greatest and most prosperous part of this

continent. If we combine with these great natural resources and the industries that can be built around them our agricultural resources in western Canada one does not need much imagination to realize what a great future lies ahead of that part of the country.

I want to call attention once more to just what we are proposing to do with these resources in the bills now before us. We are proposing to hand over to a company, or any number of companies that can secure charters, the right to build pipe lines for the conveyance of these resources to anywhere they choose to take them. We are giving authority to these companies to dispose of Canadian assets in whatever market will bring the greatest profit at the present time without regard to the future of Canada or future generations of Canadians who may be dependent upon their proper use. I pointed out last night that in my opinion the policy we are following is wrong. Instead of considering which route is the most economical to build, instead of considering which market will provide the greatest returns at the present tme, we should be thinking of the disposal of these resources with an eye to the future of Canada, with an eye to using them to build a greater nation. I submit that in availing ourselves of the first opportunity to market them for the greatest profit we can secure at the present time we are jeopardizing the future of Canada and the fortunes of future Canadians. In my opinion it would be nothing short of criminal if we should fail to provide for the future of Canada in order to secure immediate returns from the export of such resources. We would be failing to provide for the time when the population of the country will have increased to many times what it is now, when these resources will be the key to building great industries which will make the country a great industrial nation. I submit, as I did last night, that should be our first consideration.

I am alarmed to hear so many of those who support the measure argue from the standpoint of economy. I am appalled to find so many having as their first objective the choice of a route that can be built at the lowest cost, and the finding of a market that will give us the greatest return for these resources at the present time. Some hon. members have spoken of the necessity of maintaining good relations with our neighbour to the south. I wonder what would happen to that relationship if by following a shortsighted policy today we export these resources to United States cities and thereby contribute to the building of great industries there which become dependent upon them for their existence. Looking ahead a few years when developments in industry within our own country require the use of these resources, we will be forced to choose between cutting off supplies to industries in a neighbouring country which have become dependent upon them for their very existence or providing for our own people. I believe that would be undermining our good relationships with the United States much more than the routing of the pipe line through Canadian territory in order to serve Canadian interests first would jeopardize that relationship at the present time.

Then the argument was placed before us that if we did not grant charters to this and other companies we would be setting up a monopoly. Some hon. members have been inclined to jeer at the position the C.C.F. party has taken, apparently in support of a monopoly. That argument has little weight as far as I am concerned. It has been pointed out already by more than one speaker that the oil and natural gas industry is a monopoly today and is liable to remain so. It has been pointed out that whether we grant charters to one or fifty companies we shall get only one pipe line. These companies, anxious to secure charters, will use those charters to milk the public instead of building pipe lines. They will use those charters to sell stock to the public, and to drive good bargains for themselves or their shareholders with whatever company eventually decides to build the pipe line. There is no question about it; the oil business today is one of the greatest monopolies on this continent; and no matter how many charters we grant we will continue to have a monopoly with respect to the construction of a pipe line through to the coast.

It has been said that if this bill should not pass this house a monopoly would be created. Well, Mr. Speaker, the sponsors of this bill have it within their power to bring in an amendment undertaking in express terms that the pipe line will follow an all-Canadian route, and if that were done there would be no further opposition in this house. Practically every hon. member who has spoken has indicated that if the sponsors will state in the bill itself that the pipe line will follow an all-Canadian route there will be no further opposition. So the sponsors have it within their power to secure passage of this legislation and thereby obtain their charter any time they are ready to comply with the opinion of the majority of the people in British Columbia as expressed through the legislature of that province, or any time they are ready to comply with what I believe is the opinion of a majority in this country, and indicate their readiness to follow an all-Canadian route. If

there is to be a monopoly, if a charter is to be granted to only one company, then it is the sponsors of these bills who will be responsible for that monopoly.

The argument also has been advanced that we should let this bill go to a committee before which the principals might appear; and it has been intimated that we might secure from them an undertaking that they will build an all-Canadian pipe line. It was urged that we could get much more information in a committee of that kind. I am not too hopeful as to what we would be likely to get out of such a committee. Judging by the attitude government supporters have taken toward this bill, and having in mind the fact that such a committee would have a majority of government supporters, I do not see much hope of getting any radical amendment of this bill in committee. I believe we would get out of such a committee just what we are getting out of this house. Under the direction and leadership of the Minister of Trade and Commerce (Mr. Howe), who has indicated his support of this bill, Liberal members of that committee would give this bill the same support there that they are giving it in this house at the present time. As far as I can see we would have no reason to hope for any different treatment in the committee than the treatment we are receiving here in the house. In any case, what ground is there for believing that we would get any more from a committee on this bill than we got from the committee which considered the bills passed last year? The bill under which the pipe line is being built to Superior, Wisconsin, at the present time was considered by a committee last year. Hon. members who were on that committee have stated in the house that they were given to understand this was to be an all-Canadian pipe line, and some of them were quite surprised to discover last fall that it was to by-pass such Canadian cities as Winnipeg, Port Arthur and Fort William and go to Superior, Wisconsin. What reason would we have to believe that this bill might get any different treatment?

While I am on that subject, even though the Minister of Trade and Commerce is not in the house, I want to say this. Speaking of those who insisted that that pipe line should go to the head of the lakes the minister referred to us as "little Canadians"; and I have no doubt that in his mind he considers all those who are opposing this particular bill also as little Canadians. I can tell the minister that many thousands of those little Canadians are very critical of the action of the government in permitting that pipe line to be routed to Superior, Wisconsin, instead of the head of the lakes; and many thousands of those little Canadians are living in the minister's own riding. They do not think too highly of his attitude in considering them and others as little Canadians because they prefer to see our natural resources used for the development of Canadian industry, to bring comfort to the Canadian people and to serve Canadian needs first.

In these bills we are continuing to do what we have been doing with all our natural resources. We have been exporting them anywhere and everywhere to build industry in other countries, to make those countries rich to the impoverishment of Canada itself. We have been disposing of our timber, our minerals and our other natural resources in order to reap an immediate benefit from the present, without any regard for the future of Canada and the future generations of this country. We are doing just that in this particular bill.

Another argument that has been raised concerns the route of this pipe line. It is said that will be the responsibility of the government of Alberta. Some of our friends sitting to our left have indicated that the government of Alberta would welcome the incorporation of a large number of companies, so that they could have some choice, or a little competition, in deciding which company should eventually build the pipe line. I want to say here that, in my opinion, the government of Alberta is in a position to grant a charter to whatever company it pleases, and under whatever terms it pleases, whether there is one company with a charter or whether there are fifty. The government of Alberta is in the saddle, and can demand its own terms. I fail to see where any great advantage could accrue to that province by reason of the incorporation of a large number of companies.

Finally, Mr. Speaker, I should like again to appeal to the members of this house to view this particular bill in the light of the needs of Canada and the Canadian people, not just those of us who are living today, but in the light of the future needs and possibilities of this country. This question is of far too great importance to this country to be viewed or to be determined on a narrow party basis. This question, I submit, Mr. Speaker, should cut across political parties. It should be viewed in the light of our responsibility to Canada and to future Canadians.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, yesterday in the course of this debate on the bill to incorporate a company which proposes to export Canadian natural gas first to the United States, there took place a development which was of great significance and caused a great deal of gratification to those of us from British Columbia, or perhaps I should say to most of the members from that province. I

refer to the fact that as the debate developed, this issue of exporting natural gas to the United States first or of keeping it to serve Canada first and then exporting our surplus, was placed squarely on a national plane by the participation in the debate of members from other parts of Canada than British Columbia and Alberta.

The main contribution to that development resulted from the fact that the leader of the opposition (Mr. Drew), and the leader of the C.C.F. party (Mr. Coldwell), took part in the discussion and placed on the record their views about the issue. Their view is that this must be treated as a national issue, and that it is time this House of Commons realized that a national issue is before the country, not merely a matter of local interest to the provinces of British Columbia and Alberta. There is at stake a great principle, a matter of great moment, the question of whether or not we are going to adopt now the policy of developing Canada, of building Canada first.

The matter was also placed on a national basis by the statement made by the leader of the opposition in the course of his remarks. It is significant to note that the statement has not been denied since it was made. He said that this is not a private bill, but is in fact a government measure. I refer to what the leader of the opposition said, as reported at page 903 of *Hansard*:

> I am entering this debate at this time because no one with the slightest appreciation of what has taken place can longer regard these bills, and particularly this one, as private bills. It is obvious that they have the support of the government, not simply the concurrence of individual members of the government.

He went on to point out that the bill now before the house was in fact sponsored by the parliamentary assistant to the Minister of Mines and Technical Surveys (Mr. Maybank).

That being the case, Mr. Speaker, some of the remarks—as to local interest and self-interest—which have been made in this debate by those who support the passage of this bill, when they criticized those of us on this side who opposed the bill, take on fresh significance. I refer here particularly to the remarks of the member for Skeena (Mr. Applewhaite) made in the course of this debate, where he referred to local hysteria. His remarks are reported at page 898 of *Hansard*. He was referring to the arguments advanced by those of us who are opposed to the bill, and he used these words:

> There is evidence now that this hysterical, illogical and incorrect thinking is spreading beyond this chamber to other parts of the country. I refer particularly to parts of British Columbia.

Those are the words of the hon. member for Skeena. I should like to ask him, and perhaps he will answer this question later if he takes part in the debate again, in what parts of British Columbia this hysteria is taking place. Was he referring perhaps to the legislature in that province, which on Friday last unanimously adopted a resolution in favour of a Canadian route for this pipe line? The resolution was introduced by the member for Peace River, and seconded by the member for Prince Rupert, which is in the hon. member's own constituency, and who I believe, although a member of the coalition government, is a coalitionist of Liberal stripe.

Perhaps the hon. gentleman was referring to certain developments which took place recently in the city of Vancouver, when one of the Liberal associations in that city went on record with its views of this discussion down here. It must be admitted, Mr. Speaker, that some of us in the house do think Liberals occasionally become hysterical, particularly when they are talking about their own party, but I did not know the Liberals themselves were yet referring to Liberals as hysterical. I refer to a report in the Vancouver *Sun* of Saturday, March 18, page 21. It is headed, "Four Liberal MP's attacked for stand". The article reads as follows:

> Four Liberal M.P.'s from this area have drawn the censure of division four, Vancouver East Liberal association, "for working against the best interests of B.C." The division directed its criticism against R. O. Campney, Vancouver Centre, Tom Goode, Burnaby-Richmond, William Mott, New Westminster, and J. L. MacDougall, Vancouver-Burrard for "talking in favour of the natural gas pipe line going through the U.S. before going into Vancouver."

That is the end of the article. I wonder, Mr. Speaker, why certain others of the Liberal members from British Columbia were not mentioned. I wonder, for instance, why the hon. member for Vancouver South (Mr. Laing) was not mentioned in that report. I think the reason probably is that when he spoke in this debate some two weeks ago it was impossible to say on which side of the issue he stood. I hope that the hon. member will take part in this debate and let us know just where he stands—

An hon. Member: What about the hon. member for Coast-Capilano (Mr. Sinclair)?

Mr. Knowles: He is trying to figure it out right now.

Mr. Fulton: —in order that those areas in British Columbia in which he professes to have an interest, both as a British Columbian and on behalf of his party, will be able to know where he stands. I wonder also why the hon. member for Coast-Capilano is not mentioned. I think probably the reason is that, since the hon. member was very properly

engaged on government business for his country, he was not here in the opening days of the session; and it may well be that he has not yet had the opportunity to speak in this debate.

Mr. Sinclair: On a question of privilege, Mr. Speaker, since the hon. member has challenged me, I will tell him that on the long filibuster on both these lines last year—

Some hon. Members: Order.

Mr. Fulton: Is the hon. member speaking on a question of privilege?

Mr. Speaker: Order. If the hon. member has a question of privilege, he should state it.

Mr. Sinclair: As the hon. member for Kamloops (Mr. Fulton) did some years ago, he has challenged me—

Mr. Rowe: That is not a question of privilege.

Mr. Green: No; there is no privilege about that.

Mr. Rowe: Make your own speech.

Mr. Speaker: Order. If the hon. member wishes to make his position clear, he should be given the opportunity to do so.

Mr. Sinclair: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: If the hon. member has a question of privilege, I will hear it.

Mr. Sinclair: My one question of privilege is this. If the hon. member for Kamloops wants to involve me in the debate and wants to challenge me, he should at least give me an opportunity of replying immediately.

Mr. Fulton: The hon. member will have that opportunity, Mr. Speaker; and I hope he will avail himself of the opportunity which we on this side of the house are trying to give him.

Mr. Sinclair: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Rowe: After the hon. member for Kamloops is through; not when he is speaking.

Mr. Sinclair: My point of order is this. Having already clearly stated last year where I stand, and having had the hon. member for Kenora-Rainy River (Mr. Benidickson) repeat my remarks this year, all I can say is that the hon. member for Kamloops—

Some hon. Members: Order.

Mr. Cruickshank: I want to speak to the point of order, Mr. Speaker.

Mr. Speaker: Order. I must make a ruling. My ruling is that there is no point of order before the house, and I would ask the hon. member for Kamloops to proceed.

Mr. Fulton: I hope, Mr. Speaker, that all those members on the other side of the house who wish to do so will avail themselves of the opportunity which we on this side are trying to give them by keeping this debate open—

Some hon. Members: Oh, oh.

An hon. Member: Filibuster.

Mr. Fulton: —while their own members are moving a form of closure. I hope they will avail themselves of the opportunity of telling us where they stand at a time when they can be heard clearly in this house.

We know of course where the hon. member for Cariboo (Mr. Murray) and the hon. member for Skeena (Mr. Applewhaite) stand. They spoke yesterday in the course of this debate, and I should like to deal in passing with one or two of the comments they made. They spoke in favour of the bill and thus, I submit, against the proposition which we advance, namely that the route must be built through Canada first.

I should like to point out to the hon. member for Skeena that the Westcoast Transmission Company, contrary to what he says, has clearly shown through the survey which it had made that the Yellowhead route for this pipe line is both feasible and economical. Indeed, he will know, or should know from his knowledge of the geography of that west coast region, that the United States passes over the mountains on the way to the coast via the states of Washington and Idaho are as high as, if not higher than, the route proposed by the Westcoast Transmission Company.

Then the hon. member says that we have no guarantee that the Westcoast Transmission Company will in fact build its route via the Yellowhead but that they may go back and build it via some other route. The fact is that the Westcoast Transmission Company now has before the Alberta board an application in which they have asked for a permit to export via the Yellowhead route. That route is blueprinted, and if they get their permit to export, it will be only over that route. It therefore seems to me that the company is in earnest in stating that it proposes to build that way, and that it is in earnest in spending the money to have the survey made. If that is not sufficient assurance, then we say once more that if that is the point which really bothers hon. gentlemen opposite, all they have to do is give us an assurance, through the sponsors of

the bills, that their companies propose to build it via the Yellowhead, and we will withdraw all objections to those bills.

The hon. member for Cariboo whose constituency would stand to gain immensely if the route is built via the Yellowhead—because his constituency is immediately contributory to the route that the pipe line would then follow—spoke yesterday.

Mr. Cruickshank: He told us about Christopher Columbus.

Mr. Fulton: He referred to the fact that in the past the dominion government had ignored certain requests made by the provinces, particularly Manitoba, with respect to railway charters. I would ask the hon. gentleman, who seems to feel that it was not proper conduct on the part of the dominion house to ignore those requests, if he thinks it would be proper conduct on the part of the dominion government to ignore the clear, specific and unanimous request from the legislature of British Columbia that steps be taken to ensure that a gas pipe line be built via a Canadian route; because that is the issue.

Mr. Murray (Cariboo): On a question of privilege, Mr. Speaker—

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

Mr. Fulton: I believe there is a question of privilege before the house. Do I understand that the hon. member for Cariboo rises on a question of privilege?

Mr. Murray (Cariboo): I would ask the hon. gentleman if the resolution at Victoria directs anybody to oppose these companies that are now coming before us.

Mr. Cruickshank: Certainly it does.

Mr. Fulton: I think the hon. gentleman has had his answer to that question. The resolution has been read on a number of occasions in this house, and I am not going to read it again now. But by necessary implication—

Mr. Sinclair: It would take up time.

Mr. Fulton: I thought the hon. member was interested in getting information.

Mr. Cruickshank: Tell him about Alexander Mackenzie and Jacques Cartier.

Mr. Fulton: The resolution asks for the Yellowhead route. It asks that the line be built via a Canadian route. One of the companies which has its bill now before the house has said in the other place that they intend to build it via the United States route. The other company in its publicity has indicated that it intends to build it via the United States route. We have not yet received an assurance in this house or anywhere else that they will not build it via the United States route. The implication necessarily is that they will build it by the United States route if they get their charter.

Mr. Murray (Cariboo): The resolution makes no reference to the bill before the house.

Mr. Fulton: The only way in which we can be sure that the route is built through Canada is by exercising what I submit is our responsibility as members of the Canadian parliament, and refusing to incorporate any company which does not give us the assurance that it will build its pipe-line route through Canada first.

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

Mr. Fulton: My time is passing very rapidly.

Some hon. Members: Question.

Mr. Fulton: I should now like to refer to a matter which was raised the other day by the hon. member for Vancouver South (Mr. Laing).

Mr. Knowles: Which side was he on?

Mr. Fulton: I happened to be speaking at the time. He asked me if I had any figures as to the minimum population necessary before the retail distribution of gas could be economically undertaken. Let me answer that question by asking him another one. The implication in the hon. member's question was that he—

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

Mr. Fulton: The implication in the question was that, if the route did go through Kamloops, Kamloops would not get gas. Let me ask him this. If the gas line does not go through Kamloops, will Kamloops ever get gas?

Speaking in this debate yesterday the hon. member for Skeena (Mr. Applewhaite) said, as reported at page 902 of *Hansard*:

> Incidentally I wonder if it is fair to mention little places like Keremeos in a debate of this kind. Nothing could be crueler than to dangle before small communities the hope of cheap gas and cheap fuel and then find out that the population is not sufficiently large to justify the expense of the construction of the distribution works involved.

I say to the hon. member for Skeena that under the limitations as to the number of lines and the size of the markets, it certainly can be taken for granted that if the pipe line does not go through these areas they never will get gas; whereas if it does go through those areas there is a chance; and, incidentally, I might point out that no one in this debate, so far as I know, has stated that Keremeos would get gas. What we

have said is that if the Yellowhead route proposed by the Westcoast company is adopted a line will be built through the Merritt, Penticton, Keremeos area, and the workmen in these areas, our businessmen and retailers will get the benefit of the construction.

Mr. Mott: Oh, 200 people.

Mr. Fulton: Does the hon. member think that these 200 people are not important? That is the implication in his question.

Mr. Cruickshank: Why does the hon. member not make a speech?

Mr. Fulton: I will admit that these communities of 200 people are not as large as the cities of Seattle, Tacoma and Portland, but they are of more importance to Canada and to British Columbia than any of these United States cities.

I should like to refer to the argument put forward by the hon. member for Yorkton (Mr. Stewart) when he spoke last week. He criticized us for saying that we have the assurance that the Westcoast company intends to build via the Yellowhead route. He asked: Of what value is any assurance given to a committee of this house? Mr. Speaker, that is a very strange position for the hon. member to take. We have seen other hon. members take a different position in this debate, because they keep urging us to let this bill go before a committee so that we can get the people behind it there and then they will have an opportunity to give us that assurance. Yet, on the other hand, we find hon. members saying that such assurances are of no value. They may be right; but let me point out that the company which gave that assurance has now taken the next logical step, and, as an earnest of its intentions, has applied to the Alberta board for a permit to export gas via the Yellowhead route.

Mr. Murray (Cariboo): What about Prince George?

Mr. Fulton: I will go along with hon. members this far. This is the place where we should have the assurance—we perhaps should have it from the Westcoast company. But now that we know what the facts are, this is the place where we should get the assurance. For my part I know there are many people throughout Canada, many people in my own province, who agree that we should not let these bills pass until we receive that assurance.

In spite of the obvious heat which is aroused when one considers the purely local interests in the matter, it seems to me that it is also a matter which should be dealt with on the other level, namely, from the standpoint of national interest. This gas pipe line means a potential $100 million expenditure in the Dominion of Canada. It could mean that if it were built in Canada. On the other hand, it could mean the expenditure of some $100 million to the benefit mainly of the United States of America. I do not think that we are being little Canadians, or that we are doing anything other than what we should do in doing our duty as members of parliament in saying that so far as we can do it we shall see that that $100 million is spent here at home.

I should like to refer to the remarks of the leader of the opposition (Mr. Drew) in that connection, which were made yesterday, because I think he put the position clearly before the house. At page 904 of *Hansard* the leader of the opposition said this:

> There are vast possibilities. In every case of this kind let us realize that cheap fuel means cheap production, and cheap production means not only the possibility of the development of new production within our own country, but also the possibility of export to other parts of the world in highly competitive lines.

And, as the leader of the opposition pointed out, that type of increased new production would go a long way towards solving the vexed question of high freight rates that now so much bedevil our industrial and transportation system in this country. Then on page 910 he summed up as follows—I ask hon. members from all parts of the house, as well as from our own province, to give these words their full value. The leader of the opposition said:

> With their enormous resources, let us not measure the demands of British Columbia in terms of the gas they can use today or tomorrow, but measure it in terms of what could happen there with their raw materials being fabricated in great industries that would use these cheap forms of fuel for the employment of hundreds of thousands, yes, possibly millions of people in that one province alone.

As he concluded he said:

> Yes, we should be prepared to export our surplus, but quite frankly our policy should be Canada first in the use of the resources which we possess.

I do not see how any hon. member could fail to be, firstly, inspired by that vision for Canada; and, secondly, I do not see how any hon. member could in fact fail to subscribe to that policy. One only has to consider the enormous potentialities for Canada if this pipe line is built through Canada, and the loss that will be ours if it is built anywhere else, in order to feel himself justified in opposing to the very limit any project of which there is even the risk that the line be built in the United States, and that we may not get the benefit of it. Consider the method of construction. I understand that in connection with these lines it is not a matter of pipe

being sent in there already made into pipe, but rather one of sheet steel being transported to the area where the pipe line construction is taking place. Then they must have there the plant which bends the steel into pipe. It is welded on the spot. That means that there is an immediate prospect of Canadian steel companies being able to supply that sheet steel. I would be prepared to say that—

Mr. Howe: Does my hon. friend speak as an engineer, when he refers to building pipe on the spot?

Mr. Fulton: The minister knows very well that I am not an engineer.

Mr. Howe: What gave you that idea?

Mr. Fulton: I am speaking only as the result of the study and investigation I have been able to give to the matter.

Mr. Howe: You had better take another look.

Mr. Fulton: Then perhaps the minister would tell us how the thing is built when he speaks again in debate. I am by no means an expert.

Mr. Howe: Perhaps the hon. member's information is no worse than the other information he has been giving.

Mr. Fulton: Well, perhaps the minister, who knows so many things—

Some hon. Members: Hear, hear.

Mr. Abbott: And the man who is speaking knows so few.

Mr. Fulton: —who knows so many things, but does not always seem willing to share his knowledge with the house as I know we would like to have him share it—perhaps he will make a speech and tell me how wrong I am.

Mr. Abbott: That is not necessary.

Mr. Howe: We all know how wrong you are. You are wet behind the ears.

Mr. Smith (Calgary West): How big a pipe can be rolled in Canada, smart man? The only people who roll pipe in Canada—how big can they roll them?

Mr. Speaker: Perhaps the hon. member for Kamloops would give way to the other hon. members.

Mr. Fulton: I have one other comment I would like to make.

Mr. Abbott: Let us not miss them, then.

Mr. Fulton: I can say this, that I have looked into the matter, and—

Mr. Howe: Into the end of the pipe?

[Mr. Fulton.]

Mr. Fulton: —I have spoken to an official of one of the steel companies in Canada, and I am told that the steel companies of Canada would be glad to be invited to tender for the supply of steel for the construction of this line. I can say that of my own knowledge.

I would say that if the line is built in Canada, there is a chance that our steel companies may be invited to tender.

Mr. Abbott: Not at this rate.

Mr. Fulton: But if it is built in the United States there is very little chance that our steel companies would be asked to bid. I would go so far as to say that in these projects there should be a requirement, when a Canadian resource is being transported, that Canadian steel companies must be asked to tender on the project. After all, almost a hundred million dollars is involved; there will be many millions of dollars' worth of steel in it. I understood the Minister of Trade and Commerce (Mr. Howe) and the Minister of Finance (Mr. Abbott) are interested in conserving American dollars although it hardly seems so from their attitude tonight. I would go this far, that there should be a requirement that if Canadian bids are at all competitive with American bids, the Canadian bids should be accepted.

Here we have a chance to support a policy of developing Canada, but it calls for a positive effort. If we do not make that effort we will continue to be in an inferior position in comparison with American industry. But if we make the positive effort to conserve our resources and to enable them to be used for Canadian industry, and to make Canadian production less expensive, then gradually our industry and our markets will reach a position of equality in competition with those of the United States. But until we do that, until we take those positive steps, we cannot expect to see our industry and our markets on a basis of equality in competition with those of the United States of America.

When one considers the prospects opened up by the possibility of having this cheap fuel available for power in the area from which I come, power for the city of Vancouver, power to run our industries, power for irrigation and agriculture, power to run the pulp mills and power generally to help us develop our resources, then I say that that prospect alone would justify us in insisting, here and now, while parliament has the opportunity, that it should take the first step by refusing to allow these bills to pass until we have the assurance that this route will serve Canada

first and, having served Canada first, that our surplus should be exported to the United States. But until that is done, until we have that assurance, until we can see the possibility of the work of building Canada, which was started by the fathers of confederation, being brought to a successful conclusion by vastly developing our resources and our markets, and building this pipe line within Canada, then I say that we should not cease our efforts, and should not cease our opposition to these bills.

Motion agreed to and debate adjourned.

Mr. Speaker: It being nine o'clock, the house will resume the business interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Dion in the chair.

DEPARTMENT OF FINANCE

Superannuation and retirement benefits—

575. Government's contribution to the superannuation fund, further amount required, $63,000.

Mr. Knowles: Mr. Chairman, we are back now to the item we were considering before six o'clock, having to do with superannuated civil servants.

Just before the evening recess I had reminded the committee of the figures placed on *Hansard* on March 16 showing the large number of retired federal civil servants whose pensions are in the lower brackets. For the purpose of drawing my remarks together I shall repeat only one figure I mentioned earlier; the others can be found by referring to what I said this afternoon. I would point out that there are 4,584 retired civil servants whose pensions are less than $80 a month. This includes in the lowest bracket of all 253 whose pensions are less than $20 a month.

Then, I would add this further item, that out of 4,338 widows of retired civil servants who are on pension, 2,516, or more than 58 per cent, are on pensions of less than $40 a month. I use this figure again, because it is the old age pension figure. It does seem to me that the committee should hang its head in shame when it is pointed out that we pay to servants of the federal government, who have been contributing into pension funds, retirement allowances less than could be obtained on old age pensions.

When the Minister of Finance has dealt with our arguments before, he has taken the position that it would be favouritism on the part of the government to supplement the pensions of these people. The minister indicated that it would not be fair to do it for them without doing it for other people on fixed retirement allowances. I hope that all of us in the house are concerned about the security of all our old people. My position in such matters is well known, so I need not go into that at any length, but surely we have a particular responsibility as a parliament and as a government for the people who have been our employees. Surely we should be giving a lead to other people in the country who feel some responsibility for the pensions of those who work for them.

Another argument that the minister has used has been to the effect that these pensions were being paid on the basis of a contract that these persons had entered into. In other words, they had made certain payments into pension funds, and on the basis of the terms of those funds these were the amounts that they could draw out, and it would not be proper to upset that contractual relation. I want to say it is not very hopeful for the ideals which I trust the Minister of National Health and Welfare has in mind for proper old age security if that idea is prevailing in the very important part of the government that is in the mind of the Minister of Finance. What we have to consider in the whole business of dealing fairly with old people of any group, and particularly our own employees, is that having served their day and generation, having done what was their responsibility, having paid in whatever they were required to pay, when the time for retirement comes consideration should be given to their need of a decent standard of living.

It is simply impossible to justify our paying pensions of these small amounts to any number of our employees, and the tragedy is all the worse when you realize the numbers there are. I want to point out that these people are scattered across the country. They are not concentrated in any one area, which means that they are not a political force in the sense that that phrase is sometimes used. Hon. members are aware that I have risen a good many times on this matter in the house. I want to remind the house that in the whole of Manitoba there are only 386 retired civil servants and only 186 widows of retired civil servants now on pension from the federal government.

An hon. Member: How many in Saskatchewan?

Mr. Knowles: There are 186 retired civil servants and 74 widows of civil servants on federal pension in Saskatchewan. The figures for all the provinces are to be found at page 834 of *Hansard* of this session, and also for the United States, the British West Indies, overseas, and so on. I want to make the point—and it is true not only for myself but also for others who have taken part in the

debates on this matter on other occasions—that the number of people in our own constituencies who are affected is relatively small. Therefore we are conscious of the fact that they do not carry great political weight; that seems to be their principal handicap, but their case is just as deserving as if their numbers were much greater. When we argue on their behalf we are arguing a cause because we believe it to be just and right. The thing that has pleased me in some of the former debates on this question has been the number of members who have risen in support of this cause. I have had pretty heavy correspondence with superannuated civil servants and their associations in various parts of the country, for example, Quebec, Montreal, Toronto, Winnipeg, Vancouver and Victoria, and I know from this correspondence that they have been in touch with their members in this house, and were in touch with them in particular just before the election of last June. They had assurances at that time from practically all of their members that they would support their case when it was raised on the floor of the House of Commons. I hope that members of the house, and particularly those on the government side who gave categorical assurances to these people that they would support their cause and their claim for a cost of living bonus or other supplement, will implement that promise now and call upon the minister to reconsider his position.

I have pointed out before, and I will do so again in passing, that I know of at least three governments that have tried to do something. The province of Saskatchewan and the province of Newfoundland have both made provision for a supplement or cost of living bonus to their retired civil servants in the lower brackets. The amounts are not large in either case, but they mean a great deal to those people. Surely if these two provinces can do something like this the central government at Ottawa ought to be able to do it. The third government which I know has been trying for years to improve the position of its retired civil servants is the government of the United Kingdom. The act at Westminster which took into consideration the fact that retired civil servants needed some improvement in their position goes back to the period of the wartime government, but it was amended a few years ago to improve the position of these people. From time to time I have asked about every question I can think of in connection with this matter.

Mr. Sinclair: Hear, hear.

Mr. Knowles: I am glad to know that the hon. member for Coast-Capilano is aware of the fact I have been asking these questions.

[Mr. Knowles.]

I suppose it has been one of his jobs, as parliamentary assistant to the Minister of Finance, to try to find the answers.

Mr. Sinclair: Hear, hear.

Mr. Knowles: I hope he will realize that not only has he some responsibility to the minister to whom he is parliamentary assistant, but that he also has some responsibility to the people back in Coast-Capilano.

Mr. Sinclair: Quite right.

Mr. Knowles: No doubt he promised he would do everything he could for them as to this matter. I see he is shaking his head the wrong way, indicating that he did not make any such promise. There were a lot out there who did, and I would suggest that if the hon. member for Coast-Capilano did not do that, the other members out there who promised to bring this matter to the attention of the minister and to do everything they could might do well to get the hon. member for Coast-Capilano on their side.

One of the questions I asked on one occasion was as to whether or not this matter had been referred to any body for advice. I was given the information that it had been referred to an advisory committee that deals with these matters. I was hopeful that would result in something, but I was never able to get any information as to whether that committee gave advice or what it was. I was told, for example, that this simply had to be a matter of government policy. I urge the minister to reconsider the whole position.

When I rose to speak on the question at ten minutes to six this afternoon, it was not my intention to speak for more than a few minutes.

Mr. Abbott: You have spoken for twenty minutes now.

Mr. Knowles: I felt at that time perhaps this was not the day to do this job and get the consideration it deserves. This is one of those days that we run into time and time again when time is of the essence and we are pressed to shorten our remarks, but we cannot always be expected to do that with these important measures. I felt then it might be that some of us could find a day a little later on in the session when it might be possible to go into the matter more fully. The way in which the minister dealt with the matter just before six o'clock, however, when he told me I would have two or three or four more occasions during this session to deal with it, indicating that he did not feel it needed to be taken very seriously, made me feel then that I should say a few more words, and that perhaps I might prompt others to join me in this presentation in the hope that we can yet

persuade the minister that it is too serious a matter for parliament to be paying 253 of our retired civil servants pensions of less than $20 a month, and the other figures I have given. I insist that it is time for some adjustment to be made on behalf of these people.

Mr. Green: May I point out to the minister that it seems to me we have an injustice here, or at least an inequity. Like the hon. member for Winnipeg North Centre, I gained the impression from the minister's remarks this afternoon that he was brushing aside this whole question. I realize the minister is rather apt to speak "off the cuff" like that, and does not always mean to be as tough as he sounds. Here, I think, is a case that should be reconsidered by the government.

I intend to take only a minute or two, but let me put two or three reasons before the committee. One is the difference in the value of our dollar today as compared with the value at the time most of these people made their contributions. At that time they believed their superannuation would be sufficient to enable them to live decently. Now, with the change in the value of the dollar, they find themselves getting perhaps forty or fifty per cent, in purchasing power, of what they had expected to obtain; and they have no way of improving their position unless they can persuade the government to take some steps to help them out. It is put very well, I think, in a letter I had from one of them in my own city of Vancouver, who said:

> . . . our payments to the fund during our years of service are now being liquidated at 40 cents on the dollar due to the difference in purchasing power as compared to 1939. It is not by any means what we paid for.

There is this further point in their favour, that during the war years bonuses were added to civil service salaries, but apparently for purposes of superannuation those bonuses were not taken into account. As a result the civil servants who retired at that time and under those conditions have lost out as compared with others. Finally there is the fact that some of the other nations have met this situation. The United Kingdom passed legislation called the Increased Pensions Act which made some provision for retired civil servants in a position similar to that of our own civil servants who are asking that something be done at this time.

There are various other reasons, of course. There is the fact that in most cases these people cannot qualify for old age pension, and many of them are widows. But quite apart from these sentimental reasons I do think they have at least a case for reconsideration by the government, and I hope that before the end of this session this whole question will be reconsidered by the cabinet and something done to ease the lot of these former employees of the nation.

Mr. Abbott: In the interjection I made this afternoon I had no intention, of course, of brushing off this question. I had hoped that in the consideration of these final supplementary estimates we might follow the usual practice and direct our attention not primarily to matters of policy but to the actual additional expenditures and their explanation. I would be very happy to discuss this or any other question at length when my own estimates are called, which I think would be the more usual time to do it. We have done it in the past and I shall be happy to do it again, but I think that is really the time, not when we are asking for approval of an item of $63,000 to provide for a too-conservative estimate of the government's contribution to the superannuation fund. I realize that under the rules of the house it is open to any hon. member to raise any question relating to the superannuation of civil servants, but again I would appeal for the co-operation of hon. members in restricting observations to the actual final supplementary votes asked for here. If we attempt to cover the whole range of items I despair of being able to get these estimates through within the time I should think the committee would consider reasonable.

Mr. Browne (St. John's West): I want to ask a question which can be answered by a straight yes or no. Is the government paying a cost of living bonus to these civil servants?

Mr. Abbott: No.

Mr. McLure: If we should allow these items to pass tonight without discussing them as we should, what assurance can the minister give that we will have an opportunity to discuss them later? I remember that last session I agreed to such a request for some reason or other, thinking I could bring up the matter at another time, but I never did have another opportunity. We should have some assurance right now that if these items go through tonight we shall have every chance to discuss these matters later.

Mr. Abbott: I can only give this assurance, that for the past two or three weeks my colleagues and I have been trying to get down to a discussion of the main estimates for the coming year. The house, within its rights, has preferred to make speeches on general questions rather than consider the details of the expenditures. My own department is now before the committee. I shall be happy at as early a date as possible to get down to a discussion of the details of the department,

which happens to deal with this matter of superannuation. There is a very large item in my estimates covering the contribution by the government to the superannuation fund. That goes for the other departments as well; but it simply cannot be done if the house is not willing to co-operate. Without desiring to offend anyone, I suggest that that really depends upon the desire of private members to get down to a consideration of the details of the estimates and not take too much time discussing general principles on individual items.

I reiterate, however, that tonight we are considering the final estimates of the year, the estimates which traditionally make provision for cleaning up liabilities already incurred under existing votes in which, for one reason or another, there was an underestimation. There will be, first, the opportunity on the main estimates; second, an opportunity on the main supplementary estimates which are usually brought in two or three weeks before the end of the session; and finally an opportunity to discuss special matters on the final supplementaries at the end of the fiscal year. So there are at least three opportunities; but I repeat that it is in the hands of the house. Nothing would please the government better than to get down to a consideration of the expenditures item by item; but what happens? We have an item here of $63,000 which is really a vote to cover a too-conservative estimate of the contribution of the government to the superannuation fund because there were more promotions, or more people retired, or for some other reasons. Instead of considering whether the Minister of Finance was right or wrong in his estimate, however, we enter upon a debate upon the desirability of superannuated civil servants receiving some addition to their superannuation. It is within the rules, of course, but it is not taking into consideration the particular item of expenditure now before us. That is all I can say.

Mr. Knowles: Just a word—

Some hon. Members: Sit down.

Mr. Fraser: That is exactly what happens when we are on the estimates; we are told to sit down.

Mr. Knowles: That doesn't bother me.

The minister will recall that when I rose before six o'clock the words I used and my whole tone of voice implied that I was giving him fair warning that we were going to deal with this at the proper time. It was only because of what I thought was the offhand attitude the minister took toward the matter that I felt that warning needed to be driven home, and I trust we have done that effectively.

Mr. Abbott: All I can say is that I very seldom hold up my own estimates, but I must have done that by my interjection before six o'clock.

Mr. Smith (Calgary West): I am not trying to hold up the estimates, but in spite of the teacher's lecture I want to ask this very simple question. Are the mounted police concerned under this item, when the main estimates are being considered? I want to talk about them at the proper time, which I think is not now.

Mr. Abbott: I am sorry, but there was someone speaking behind me, and I did not hear my hon. friend's question.

Mr. Smith (Calgary West): I was wondering if the superannuated mounted policemen come under this general item when we come to it? I am not going to speak on it now, but I am then.

Mr. Abbott: Subject to correction, I think the mounted police superannuation fund is a special fund under justice.

Item agreed to.

576. Servicing of public debt—commission for payment of interest on public debt, services of fiscal agents, London, registrars' fees, etc.—further amount required, $20,000.

Mr. Fleming: Does the government contemplate any financing in the market this year?

Mr. Abbott: That is a question I cannot answer at the moment. I shall have to make the usual answer: it is a matter of government policy which will be announced in due course. There are a number of maturities this year, as my hon. friend knows.

Item agreed to.

DEPARTMENT OF LABOUR

Unemployment Insurance Act—

583. Government's contribution to the unemployment insurance fund—further amount required, $2,500,000.

Mr. Smith (Calgary West): This is $2,500,000, and is not peanuts, such as we were talking about a few moments ago. It is listed as the government's contribution to the unemployment insurance fund, a further amount required. I hate to appear to be captious about it, but it is a sum of two and a half million dollars. What I want to know is, why is it that in these estimates we need a sum of that size? I assume it is for liabilities incurred, but it does seem to be a tremendous amount of money.

Mr. Mitchell: It is the government's contribution to the unemployment insurance fund in conformity with the statute.

Mr. Smith (Calgary West): Why does it appear in the supplementary estimates?

Mr. Abbott: I might answer my hon. friend. It is an underestimate. The first estimate was made about 14 months in advance as to what the contribution would be, and it was dependent upon the level of employment. The government's contribution up to the end of February was $18,159,832. The main estimates contained an estimated expenditure of $18,750,000, and there was $250,000 supplementary for Newfoundland, which was really part of the main estimates. It would appear now that for March and April, in order to cover the contribution of the government, there will be an additional two and a half million dollars required.

Mr. Browne (St. John's West): For March, but not April.

Mr. Abbott: March, yes, that is right.

Mr. Smith (Calgary West): This amount of $2,500,000 has a direct relationship to unemployment in Canada at this time.

Mr. Abbott: No relationship at all.

Mr. Smith (Calgary West): None whatever?

Mr. Abbott: It would indicate perhaps a higher level of employment than we had anticipated.

Mr. Smith (Calgary West): This is by way of contribution, and has nothing to do with the payment of benefits?

Mr. Abbott: That is correct, in order to maintain the government's contribution to the fund.

Mr. Smith (Calgary West): Maintain your proportion of the main fund?

Mr. Abbott: In accordance with the requirements of the Unemployment Insurance Act.

Mr. Smith (Calgary West): It has nothing to do with the payment of benefits or anything of that kind?

Mr. Abbott: Correct.

Mr. Diefenbaker: I was interested in the latter part of the minister's remark. He has said he was not used to holding up his own estimates, and he states that this is an underestimate made 14 months ahead. Apparently at that time those in charge estimated that unemployment would be greater than it now is.

Mr. Abbott: No; this is the government's share under the Unemployment Insurance Act. I think the government pays one-fifth of the contribution, and four-fifths are paid by the employer and employee. This is the government's one-fifth, or whatever it is. If it means anything, it means there were more people employed and making contribution to the unemployment insurance fund than we estimated last year.

Mr. Smith (Calgary West): I do not know what the minister means when he says "if it means anything," it means so and so. What does he mean by that?

Mr. Abbott: Well, strike out the words "if it means anything."

Mr. Smith (Calgary West): Will you categorically make this statement, that this sum is necessary because of increased employment in Canada? Does the minister want to do that?

Mr. Abbott: Yes, or increased wages; one or the other was higher than was estimated.

Mr. Smith (Calgary West): Has it anything to do with the increase in the level of charges, that is, those persons who are getting this insurance?

Mr. Abbott: My hon. friend knows better than I do that the unemployment insurance fund is made up of an equal contribution from employer and employee, and a contribution by the government. The government's amount of this contribution depends upon the wages earned in insured industry, and the government's contribution of course is dependent upon that factor. In January of 1949, when these estimates were completed, it was estimated that the government's contribution to this fund would be something of the order of eighteen and three-quarter million dollars. To comply with this statutory obligation, we will need something of the order of two and a half million on top of that, owing to either a greater number of people employed or to people being employed at higher rates of pay. That is as far as I can go in explaining it.

Mr. Smith (Calgary West): Has it anything to do with lifting the level up, and therefore bringing in a greater number of people, which we did just a week ago? Has that any bearing on it?

Mr. Abbott: I am not sure I am clear on what my hon. friend's point is.

Mr. Smith (Calgary West): It will be remembered that some time ago we made a change, and said a person could have unemployment insurance if he did not earn more that a certain amount. Then a short time ago we raised that ceiling.

Mr. Abbott: That is under item 585, and there is $1,500,000 to cover that.

Mr. Smith (Calgary West): That has no bearing on this item?

Mr. Abbott: No bearing on this item.

Mr. Smith (Calgary West): Well, the minister gave me a straight answer on the other question.

Item agreed to.

584. To authorize and provide for payment of unemployment assistance to residents of Newfoundland within the terms set forth under vote 681 in the supplementary estimates (Newfoundland) 1949-50, as authorized by the Appropriation Act. No. 7, 1949—further amount required, $700,000.

Mr. Browne (St. John's West): Is the Minister of Labour in a position to state whether labour conditions in Newfoundland have improved recently?

Mr. Mitchell: I think my hon. friend, who represents a riding in Newfoundland, probably has as deep an appreciation of the situation there as I have. If I might say this to him, arising out of the act of confederation, the people without employment in Newfoundland have probably been treated better than at any time in the history of Newfoundland. I think some of the conditions that exist there should be pointed out. My hon. friend knows that the Wabana iron ore mines in Newfoundland have lost the market in Great Britain to a great extent.

Mr. Browne (St. John's West): Have lost it.

Mr. Mitchell: I always like to give myself a little out. You should not bang the door in your own face. Then, the lumber situation is somewhat similar. The market for lumber in Great Britain has been lost. Newfoundland has also, temporarily I hope, lost the market for salt fish.

Mr. Diefenbaker: Page the Minister of Trade and Commerce.

Mr. Mitchell: I know my hon. friend sits there with a satanic laugh on his face.

Mr. Diefenbaker: Mr. Chairman—

Mr. Mitchell: Do not be too self-conscious.

Mr. Diefenbaker: I do not ordinarily rise to object to anything. I know that my hon. friend is the greatest authority in the house on things satanic. I am not going to ask for withdrawal.

Mr. Mitchell: I just said that in a kindly way to my hon. friend.

Mr. Diefenbaker: The minister meant "sardonic", I presume.

Mr. Mitchell: No, I meant "satanic". I am frank to admit that my hon. friend could take the first word I used or the last two words; I could not. But to get back to important things, as my hon. friend knows already there has been, for some reason unknown even to the experts, a smaller catch of fish on the Atlantic coast. I do not know of any parliamentary institution that can pass a law to stop the fish from going from North America to Norway. I take the view of the Minister of Trade and Commerce, that we are passing through a period which is going to be a difficult one, largely brought about by international monetary complications, but I am convinced in my own mind that by taking a positive approach we shall overcome all the difficulties confronting this nation.

I think the easiest way to get a depression is to preach about one. I have a vivid recollection, at the conclusion of the war, of some of our experts, in North America particularly, predicting eight million out of employment in the United States, and of some of my own experts predicting 600,000 unemployed in the Dominion of Canada. We all know that situation did not come to pass largely because of the positive approach made by this government in the reconversion period at that time. I am convinced in my own mind that given a liberal approach, you understand—

Some hon. Members: Oh, oh.

Mr. Knowles: Does the minister understand?

Mr. Mitchell: My hon. friend does not understand anything.

An hon. Member: He has company.

Mr. Mitchell: He is an expert on nothing and he talks about everything. When I said "a liberal approach" I meant a liberal mental approach to the problems concerning this nation. I am frank to admit that at this very moment approximately twenty per cent of the employable people of Newfoundland are unemployed. I think the hon. member from that province will admit, as will most of the good people in Newfoundland, that the conditions there at the moment are somewhat improved and that they are better than they were, we will say, in 1935 to 1940.

Mr. Browne (St. John's West): Thirty-five or forty years ago?

Mr. Mitchell: No; I am not as old as that. From 1935 to 1940.

Mr. Smith (Calgary West): Now have I answered your question?

An hon. Member: That is not saying much.

Mr. Mitchell: I look forward to the time when we shall recover those markets that were enjoyed by Newfoundland in the last ten years.

Mr. Browne (St. John's West): I appreciate the minister's attempt to answer the question, but I am afraid that he is not familiar with the situation. When the matter comes up again I hope that he will be much better

informed than he is at the present time. As a matter of correction for the record, I should point out to him that there would not be 20 per cent of the total number of unemployed in Canada resident in Newfoundland; because if the total number is nearly 400,000, that would mean nearly 80,000 people unemployed in Newfoundland. I believe that the number is nearer 12,000 than 80,000, although I understand that is an increase over what it was a few weeks ago.

Mr. Mitchell: I am afraid my hon. friend is not so well informed either. At the moment there are 19,000 unemployed in Newfoundland.

Mr. Browne (St. John's West): The minister is in a position to know. I expected that answer in the first place.

Item agreed to.

LEGISLATION

House of Commons—

589. Estimates of the Sergeant-at-Arms—further amount required, $8,000.

Mr. Fraser: Do all of the staff in the House of Commons come under the workmen's compensation board? Are they all covered, including the sessional stenographers?

Mr. Abbott: I am afraid I could not answer that question. These are the Sergeant-at-Arms' estimates. I would have to inform myself. I shall be glad to get that information and give it to my hon. friend.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

General services—

590. Miscellaneous maintenance and adjustments (war of 1914-18)—further amount required, $15,000.

Mr. Fraser: Just what is this for?

Mr. Abbott: This item covers the maintenance of war graves and the erection of memorials to world war I casualties.

Mr. Drew: Before we go on with these defence estimates, it may be helpful to know when the estimates of the Department of National Defence are going to be considered again.

Mr. Fournier (Hull): I could not tell that this evening, because the minister himself is, I understand, leaving on Saturday for overseas in order to attend a conference. How long he will be there, I do not know. Then we shall be having Easter vacation. I am afraid we shall not work up to the defence estimates before we come back after the Easter recess.

Mr. Drew: Why can they not be taken up on Friday?

Mr. Fournier (Hull): Up to now we have given two days on external affairs and two days on defence.

Mr. Drew: No, only one day on defence.

Mr. Fournier (Hull): Requests have been made to have the estimates of other departments considered. I thought it was understood at the beginning of the session that we would try to have a few days on each department for a general discussion. If we stay on national defence too long, I cannot see how other important departments, such as the Department of Trade and Commerce or the Department of Veterans Affairs, would have much time. I will, however, consult my colleagues about this matter.

Mr. Drew: In view of the fact that the Minister of Finance took some time to speak about the desire to get ahead with these estimates and left some impression that the effort to do this was not being facilitated, I would point out that it is this uncertainty about things being dealt with that is causing a great deal of confusion and is lengthening the debate. In this particular case the Minister of National Defence is going overseas. His estimates are before the committee. Surely the wise thing to do would be to say to us that the estimates of the Department of National Defence will be dealt with on Friday. We would then know that; and if that were so, there would then be no occasion to discuss these estimates now. But if consideration of these estimates is going to be put off and then just rushed in at the last moment, as has been done year after year, hon. members are in duty bound to discuss national defence when they have the opportunity presented to them at this time.

Mr. Fournier (Hull): I am asking myself if the leader of the opposition is quite fair. I have tried to accommodate hon. members by bringing forward the departments that were requested by them. External affairs was the first one; the second one was national defence. For three weeks I have tried to get other departments into supply and have not succeeded. We have had long discussions on everything that was brought up before the house. I am not reproaching anybody with regard to that. This is a free parliament composed of free members. But it is necessary for us to attend to certain items of business that must go through in the next few days. On the order paper there are four bills that are to be studied and considered, and an effort must be made to pass them before March 31 if we do not wish to have them lapse. There are two in the name of the Minister of Agriculture, one

concerning the Agricultural Products Act and the other the Agricultural Prices Support Act. If they are not considered before March 31, they lapse. There is one in the name of the Minister of Finance, concerning rental controls. Really, I am not going to try to give a lesson to anybody, but I thought when we got into supply it was to consider the items that were called by the chairman. My experience is that very few hon. members get down to details on these estimates. They make many long speeches. If that is their way of looking at it I have no objection, but I cannot keep the same department on ad nauseam to listen to speeches, especially when we are on specific items.

Mr. Drew: I think it would be just as well to deal very clearly with this subject, right now, Mr. Chairman. The minister who has just spoken is evading the issue by suggesting that there are bills that—

Mr. Fournier (Hull): Why should I evade the issue?

Mr. Drew: —require to be dealt with. I think hon. members recognize that they require to be dealt with. That has nothing to do with the point that has been raised. The minister has just said that he is going to call other estimates on Friday.

Mr. Abbott: No; he is going to call these bills on Friday.

Mr. Fournier (Hull): I am sorry if I did not make myself clear. This is not final. On Thursday we will take up the resolutions that are on the order paper to advance them one stage and to give the bills first reading. Then on Friday we might take up second readings. If we cannot do it on Friday we shall proceed next Tuesday because Monday will be private members' day.

Mr. Green: Why don't you take Monday?

Mr. Fournier (Hull): The hon. member for Vancouver-Quadra suggests that we take away a whole day from private members in order to make speeches. I do not feel that I could do that, and deprive those hon. members of the opportunity of making speeches. But coming back to the estimates—

Mr. Smith (Calgary West): The Minister of Agriculture is taking the whole week in High River making speeches.

Mr. Fournier (Hull): Why don't you wait until the Minister of Agriculture comes back?

Mr. Smith (Calgary West): You told us a moment ago that these things have to go through by March 31. The Minister of Agriculture is in Canada. He is not even here to put them through.

[Mr. Fournier (Hull).]

Mr. Fournier (Hull): My hon. friend did not follow—

Mr. Smith (Calgary West): He is making political speeches in High River.

Mr. Fournier (Hull): My hon. friend did not follow what I was saying. The difficulty is that the opposition wants national defence estimates to be brought on. Up until now I have done my best to hand over the Minister of National Defence to discuss them, but nobody has discussed the estimates. I stayed here on Friday night. What was discussed? What was discussed was the method by which the estimates should be considered, and everybody admitted that it should not be a committee of supply, it should be a special committee. And that took nearly all evening on Friday, until there was a vote on it.

I shall do my best to try to have national defence estimates come up again, but I cannot give any assurance at this stage.

Mr. Drew: I am not going to let this matter pass in this way.

Some hon. Members: Oh, oh.

Mr. Drew: I am not going to let the matter pass in this way. The estimates of the Department of National Defence have been brought forward. They call for an expenditure of $628 million, not $425 million.

Mr. Fournier (Hull): You are speaking of commitments.

Mr. Drew: They call for the expenditure of $628 million, of which $425 million is estimated as required for the current year. But this house is called upon to deal with a commitment of $628 million. The estimates were brought forward for discussion only on one day, and there is no hon. member here who in any way needs to feel any sense of apology or the need of explanation for devoting not one day, but many days to a sum of that kind, which is not represented alone by the money involved, but is represented by the nature of the requirement itself.

If this passes without any assurance at this time as to when these estimates shall come before us again we have no way of knowing that this particular subject will not be brought before us in the last few days before the session is expected to close. That is what has happened over and over again.

In so far as the estimates are concerned, the minister has said that apparently we do not want details. I assure the minister that we do want details, and we are going to get details, and we are going to get exact details, and they are going to be asked for in a way that they were not asked for before.

The way to find out what the details are that are required is to assure us that these estimates will be called, and then during the time that the minister is away the figures and the statements which will be required to deal with these estimates in the house can be prepared. That would actually indicate some willingness on the part of the government to submit these very large sums to an examination in the house. But unless an assurance can be given as to when we are going to examine national defence estimates again hon. members have not only a right but are in duty bound to avail themselves of every opportunity to discuss this subject.

Mr. Abbott: May I appeal again for an orderly discussion of the business which is before the house? There are three items under the heading of national defence to clean up details. One is to provide an extra amount for the purchase and erection of headstones for world war I graves. We can criticize that item if we wish. The second one is to pay a pension to Mrs. Alice Smuck. The third is to provide $4 million to purchase certain admiralty property in St. John's, Newfoundland. The Minister of National Defence is not here. I am prepared to give a fairly full explanation of these three items. These are the items we are asking to have voted tonight. It is important to public business to get these supplementary items voted. There are two items in particular, one of which is the item for unemployment relief in Newfoundland, which it is essential, if these commitments are to be met, should be passed by this house and by the other place and receive royal assent within the next day or two. I would appeal to the house. The Minister of National Defence expects to be away for about a week on this matter of the meeting of the defence ministers on the Atlantic pact. I feel sure that an early opportunity will be afforded to resume the discussion of the general defence estimates for the coming year. All I am asking tonight on national defence is the three items that I have outlined.

Mr. Drew: Mr. Chairman, after all there is a very simple way of dealing with this, as indicated when I rose the first time. A discussion of this in detail, or a general discussion, could be brought up on these items.

Mr. Abbott: It could not be on these items.

Mr. Drew: A discussion in detail or a general discussion which could be brought up on these items would not be called for if there was some assurance as to when we shall be dealing with the general items of national defence for the coming year. Will the minister give us at least this assurance, that the estimates of the Department of National Defence now before the house will be brought before the house again definitely before the end of April?

Mr. Abbott: Yes.

Mr. Fournier (Hull): Yes, when the house convenes on the 17th I think we will have—I cannot give a definite assurance because that is—

Mr. Drew: Oh, well—

Mr. Fournier (Hull): Will the hon. member please refer to standing order 17 which reads:

> Whenever government business has precedence, government orders may be called in such sequence as the government may think fit.

I had forgotten that rule completely, and that order since I have been leading the house. I have tried to be pleasant to all hon. members, but to ask me a month ahead to give an assurance that on such and such a day we shall have these estimates before the house is asking something that I cannot give.

Mr. Drew: Mr. Chairman, this again is simply trying to becloud the issue. The point that we have before us is perfectly simple. The estimates of the Department of National Defence calling for a commitment of $628 million are before us.

Mr. Abbott: Not tonight.

Mr. Drew: They are before the house.

Mr. Abbott: Not tonight.

Mr. Drew: In so far as this house is concerned it is in a position tonight to discuss national defence. The question before the house is whether we are going to have the general estimates before us. I have asked a perfectly simple question: Will those general estimates be brought forward by the end of April? It is not an answer to say that the government can call government business at any time. If the government continues to do it that way, then there certainly will be the kind of confusion we have had ever since this session began.

In this particular case, if there is a bona fide intention really to deal with national defence estimates, then the assurance can be

given that they will be brought forward by the end of April. Because, assuming that the house may expect to terminate its business before the first of July, that does not give too long to deal with estimates which will require that we wish to proceed with these etsimates on arms, equipment and other details which will be examined on this occasion.

Mr. Fournier (Hull): All I can say is that the leader of the opposition may be assured that we wish to proceed with these estimates in good faith; and the minister himself would wish to proceed. He is the one who asked to come on early in the session to discuss his estimates. We will do our best to bring them up as soon as possible.

Some hon. Members: No.

Mr. Drew: No; can we not let this be an example of how things can be done in a businesslike way? It is not businesslike for the House of Commons to use this device to prevent an inquiry into items totalling $625 million. And do not let anyone suggest that these devices have not been used. I went back over the dates the minister put forward the other day, as to when the details of estimates had been brought forward, and in every case it was just before the end of the session.

In this particular case we want to be sure that there is going to be time to get into the real details of expenditures of the Department of National Defence. The minister will be away a week. He will be back by the first of April, according to that statement. That being so, there will be four weeks. All I have asked is that we have the assurance that the estimates for the Department of National Defence will be called within the following four weeks, by the end of April. Surely that can be given. If that is so then, so far as I am concerned, these present estimates can be passed without question.

Mr. Fournier (Hull): I will do my very best.

Mr. Drew: That simply amounts to a statement that we are not going to have any assurance upon which we can carry on orderly business in this House of Commons.

Mr. Lesage: Mr. Chairman, the leader of the opposition as usual is certainly not serious in that. He has just been complaining that in past years the estimates were brought down at the end of the session. This year the government has done its best, all that is possible, to enter as many departments as possible at the beginning of the session, so that the estimates can be studied right at the start. He was the one, with others, to delay getting into supply.

Some hon. Members: No.

Item agreed to.

Demobilization and reconversion—

592. To provide for the defence forces of the navy, army and air services, and to authorize notwithstanding section 29 of the Consolidated Revenue and Audit Act, total additional commitments for this purpose for the current year of $7,000,000 against which commitments it is estimated that actual expenditures in 1949-50 will not exceed a further amount of $4,000,000.

Mr. Adamson: Is this real estate?

Mr. Abbott: It is admiralty property.

Mr. Wright: Would the minister complete the statement he began a few moments ago in connection with this item. What about the extra $3 million? We see that $4 million is to be spent somewhere.

Mr. Abbott: The total purchase price of these properties is about $7 million. It is expected that $3 million of that can be provided out of the existing vote for the Department of National Defence, and a supplementary of $4 million will be required.

Mr. Drew: What properties are under consideration in this case?

Mr. Abbott: Buckmaster's field, naval barracks and garage; naval dockyard, magazine and ordnance depots, oil field depot and tank farm—

Mr. Drew: Let us have the details of the amounts in each case.

Mr. Abbott: It is $7 million in total.

Mr. Drew: Yes, but after all, there is a very clearly established practice in regard to entries of this kind. Let us have the details in each case.

Mr. Abbott: I have here a long table which, perhaps, I could place on *Hansard*. But, no, I shall read it in:

Description	Original Building Cost	Land Cost	Original cost of remaining Buildings	Total cost of remaining assets
Buckmaster's field, naval barracks and garage	$3,040,000	....	$2,980,000	$2,980,000
Naval Dockyard	2,483,000	$648,350	2,483,000	3,131,350
Magazine and ordnance depots	1,070,000	94,935	1,015,000	1,109,935

Then perhaps I might give the column showing the original building costs:

Description	Original Building Cost
Oil field depot and tank farm	$1,354,000
Wharves	806,000
N/A teacher and offices	474,000
Floating dock site	355,000
Hospital	730,000
Administrations and quarters	515,000
Stores and harbour craft buildings	807,800
South side machine shops	437,000
Dockyard cafeteria	122,000
W/T Stations—Bay Bulls Road	111,500
Cape Spear P.W.S.S. & D.E.M.S.	25,000
A/S Training centre	28,000
Fort Amherst, P.W.S.S. & C.M. Station	38,850
South Side Barracks	740,000

Then, the total cost of the remaining assets is $12,681,646 for which we have undertaken to pay $7 million.

Mr. Pouliot: Was all this property purchased from the British government, and, if so, was it paid for in Canadian or American dollars?

Mr. Abbott: It is to be purchased from the British government, and it will be paid for in Canadian dollars; and the Canadian dollars, of course, will be expended in Canada.

Mr. Browne (St. John's West): Where is the hospital located?

Mr. Abbott: I have not that information. I am not familiar with the location.

Item agreed to.

PRIVY COUNCIL OFFICE

593. General administration, further amount required, $6,500.

Mr. Pouliot: Before this is carried, I have a duty to fulfil. May I pay tribute to the Prime Minister for one of his gracious accomplishments in appointing the Hon. George Black, K.C., and the Hon. J. L. Bowman, K.C., two former Speakers, as members of the privy council of Canada.

The late Mr. Bennett was reluctant to do that. When the former prime minister was approached he said to leave it in his hands, but nothing was done. I remember that those two gentlemen, with the present incumbent of that high position, have constituted the three most distinguished, fearless, fair and just Speakers whom I have seen occupy the chair since I have been a member of the House of Commons.

It is precisely because the Hon. Mr. Black and the Hon. Mr. Bowman were fearless that the late Mr. Bennett refused to appoint them to the privy council, as all other Speakers had been. Therefore I compliment the Prime Minister for having been gracious enough to appoint to the privy council those two barristers of high standing who so well fulfilled their duties as Speakers of the House of Commons. May I add that while the previous leader of the opposition, who was approached in the matter, apparently did nothing, the present one was favourable to the suggestion, and I give him credit for it. Better late than never.

Item agreed to.

594. To provide for expenses of the royal commission on national development in the arts, letters and sciences—further amount required, $26,041.

Mr. Fleming: Item 594 provides for expenses of the royal commission on national development in the arts, letters and sciences. I should like to ask in the first place when it may be expected that the commission may complete its sittings and render its report, if the government has had any intimation in that respect. In the second place, I should like to ask for some details of this item. Details are not given for the $26,041.

Mr. Abbott: I will have to answer the second question first. I have no information to give my hon. friend as to the first question. I would have to communicate his question to the Prime Minister. The $26,041 which is requested in this supplementary estimate is required to reimburse another vote, 100, in the Department of Finance which approved the payment of $26,041. That is the contingencies vote. The total expenditures that are estimated in this fiscal year will be first the vote of $93,525 together with the additional amount of $26,041, making a total of $119,566 up to the end of the current fiscal year. My hon. friend will recall that there is an additional amount in the estimates which I tabled a month ago for the coming fiscal year.

Mr. Fleming: May we take it from the minister's statement that the $119,000 liquidates all commitments in respect of the royal commission to March 31?

Mr. Abbott: That is my understanding. Yes, that is correct; that is what it is intended to do.

Mr. Fleming: When can we get an answer from the Prime Minister as to the other part of the question?

Mr. Abbott: I will bring my hon. friend's question to his attention, although I do not know whether he will be in a position to answer it either.

Mr. Knight: Is the work of the commission finished? Is it still holding hearings?

Mr. Abbott: I understand it is still holding sittings. I am afraid I am not personally up to date with exactly what it is doing. It comes under the privy council office, and I have no doubt that the question can be asked when the main estimates are being considered.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

596. Ottawa—Prime Minister's residence—repairs, alterations and improvements, $35,000.

Mr. Adamson: Obviously this is not all it will cost to put the Edwards house into suitable condition for the Prime Minister's residence. Can the Minister of Public Works say how much the total estimate is for this work? I am not complaining. I think it should be done, but I have heard that it would have been better to have pulled the house down and built a new house facing the other way so that the Prime Minister would have had the view of the Ottawa river instead of having the kitchens facing that way. Can the Minister of Public Works give us any information?

Mr. Fournier (Hull): From the notes I have here I can hardly give a definite estimate, but I am told that the alterations and improvements to the main building will cost $135,000, and that is only an estimate. Then there are improvements to the other buildings on the grounds, and improvements to the grounds in the amount of some $30,000. I have a note here that nobody can give a definite estimate of the cost of trying to make a new house out of this old one. The $35,000 for which I am asking here is an amount that was allotted from my general vote in public works by the treasury board so that it could be expended during this fiscal year.

Mr. Green: What would a new house have cost?

Mr. Fournier (Hull): It all depends on the kind of house.

Mr. Green: A suitable house.

Mr. Fournier (Hull): I could not give any estimate.

Mr. Hodgson: Can the minister tell us what the property cost in the first place?

Mr. Fournier (Hull): Speaking from memory, it cost somewhere between $130,000 and $140,000. The property was expropriated, and there is a judgment in the exchequer court.

Mr. Adamson: That does not include the furnishings?

Mr. Fournier (Hull): I have no estimate at all on that.

Mr. Fraser: As the Prime Minister's indemnity will not be sufficient to allow him to maintain this establishment I would judge that the government will look after the upkeep of it.

Mr. Fournier (Hull): It will be dealt with properly, and will be maintained by the Department of Public Works and kept in a good state of repair.

Mr. Fraser: I hope that when the minister is considering the upkeep of the Prime Minister's home he will also consider the home of the leader of the official opposition, because I think they should both be looked after by the government.

Mr. Fleming: May I ask the minister to raise his voice a little? We could not hear his recent answers over here. Did I understand him to say the price paid by the government for this property when they acquired it about four years ago was $135,000? A question was asked about the original cost. I take it the answer did not relate to the original cost of the construction of the house, but to the original cost to the government when it acquired the property. Is that correct?

Mr. Fournier (Hull): The government proceeded by way of expropriation in this case, and evidence was heard before the exchequer court. I cannot recall the exact amount, but speaking from memory it would be somewhere between $130,000 and $140,000.

Mr. Fleming: Then trying to see the picture whole, to the $130,000 we add something like another $130,000 to date, so that the cost to date runs in the neighbourhood of $275,000.

Mr. Fournier (Hull): No. This is an estimate for $35,000 which is the amount that we expect to spend before the 31st of March of this year. We have retained as architects the firm of Allward and Gouinlock of Toronto. As to the estimate of the total cost, nobody before starting work on the building could give a final estimate of what the cost would be.

Mr. Fleming: I think the minister mentioned another item of expenditure earlier as well.

Mr. Abbott: That was a year or two ago. It was expropriated four or five years ago.

Mr. Fleming: We have the $130,000 to $140,000 to which the minister has referred and then this item of $35,000, but if I heard the minister correctly he said that there was another item as well of $100,000.

Mr. Fournier (Hull): I was asked the question whether I could give an estimate of what the work will cost on this residence. I said that I am told—and this would not be final—that it will amount to some $135,000.

Mr. Fleming: Then the total cost to the government by the time the property has been completely renovated will be about $275,000.

Mr. Fournier (Hull): I would not give any definite figure. Personally I do not know because I have not found anybody yet who can give a final estimate of the cost.

Mr. Fleming: Mr. Chairman, no one in this house criticized the idea of acquiring a home for the Prime Minister. When the announcement was made in the house by the then acting prime minister a reservation was made by some as to the selection of this particular property for the purpose. The question will be present in the minds of many members as to whether this was the best residence available at the cost. I am bound to say that it amazes me as a member of the house that the government has embarked upon this project without having some idea of the cost of renovation before they started.

Mr. Abbott: The minister has given it to you.

Mr. Fleming: The Minister of Public Works, a very experienced minister, has just told us that he did not even at this stage—

The Deputy Chairman: Order. I think the hon. member will admit that we are now discussing an item of $35,000 for repairs, alterations and improvements to the Prime Minister's residence. I do not think the hon. member should go back and question the decision as to whether this or another house should have been bought.

Mr. Fleming: I submit, Mr. Chairman, that I am entirely in order in trying to get to the bottom of this project. Here we are asked to vote another $35,000—

The Deputy Chairman: Order. I appreciate that the decisions of the chairman are not always satisfactory to hon. members, especially when they want to advance a certain point of view; but in my understanding of this discussion the hon. member is out of order when he raises the question on this item of whether the government should have bought this property or another.

Mr. Green: I point out to you, Mr. Chairman, that the hon. member for Eglinton was not discussing whether the house should have been bought. He is trying to get at the total amount it is going to cost, and I submit that is quite in order.

The Deputy Chairman: I am quite prepared to give as much latitude on this item as may be permissible, and so far I believe I have done so. I am simply warning the hon. member for Eglinton, when he says the minister should not have gone into this project without having any idea of the cost, and makes statements of that kind, that we are now discussing an item of $35,000 for repairs, alterations and improvements. That is all I am doing at the moment.

Mr. Fleming: Before you make any ruling, Mr. Chairman, I want to make it quite clear that what I am talking about now is this item of $35,000. The considerations I am putting forward are strictly relevant to the question whether this house should provide $35,000 when, even at this stage, the minister is not able to give us an estimate of the final cost. Apparently the government has just gone ahead without doing what any sensible member of this chamber would have done, that is, finding out what it was going to cost before commencing the project. It amazes me that at this stage, in March, 1950, nearly a year after the decision was made to take this property and renovate it for use as a residence for the Prime Minister, the government cannot give us an estimate of the total cost of the entire undertaking. I have tried as best I could to get the figures and put them together. When we do add up the figures the minister has given us, he will not commit himself in any degree to the total we arrive at.

I am in complete accord with the idea that a suitable home should be provided for the Prime Minister of this country; let there be no mistake about that. At the same time, as a matter of common sense and ordinary sensible business practice I believe the government should know the cost of a project before it undertakes it. Obviously that was not done in this case, and I think it is a ridiculous way of doing business.

I am going to ask this further question—

Mr. Fournier (Hull): Before you use that word "ridiculous"—

Mr. Fleming: I ask the minister to give us—

The Deputy Chairman: Order. The hon. member for Eglinton has the floor.

Mr. Fleming: I am trying to facilitate the minister's reply by saying there is one other question I wish to ask.

Mr. Fournier (Hull): You will not facilitate anything by calling this ridiculous.

Mr. Fleming: I certainly will call any practice ridiculous under which a government blithely goes ahead with a project of this size without having any idea in advance of what the cost is going to be. If I understood the minister's statement correctly, that is precisely the situation that confronts the government and the rest of us at this moment.

The other question I want to ask the minister, if he will be good enough to try to shed some light on it, is this. Are the figures which have been given to us the cost of the renovation of the property, or do the figures he has given include the cost of suitably furnishing the residence?

Mr. Fournier (Hull): The best answer I can give is in a report I have here. Believe it or not, I took this as good advice from my officials:

Due to the nature of the work involved, the age of the building and the impossibility of determining the structural condition of the building until the work was under way, it was not possible to arrive at an accurate estimate of the total cost. The department therefore considered that a contract on a basis of cost plus a fixed fee would be the most practicable. Negotiations were entered into with Alex I. Garvock Limited, who offered to perform the work on a basis of cost plus a fixed fee of $10,000—

That amount I am sure of; we know that.

—such fee to include the provision of all supervision of the workmen, the engaging of a superintendent satisfactory to the department, and the provision of workmen's tools and equipment required on the work which are ordinarily supplied by the general contractor.

I know what it is costing for this contractor; we will have to pay $10,000, and he undertakes to do this work. Being no expert myself, I find that even these people cannot give me a final or definite estimate; but I am told that it will amount to something in the neighbourhood of $135,000.

Mr. Abbott: Perhaps it will help my hon. friend if I add that an additional $80,000 is provided in the main estimates for 1950-51, which were tabled some time ago.

Mr. Fleming: The minister has not dealt with my final question, as to whether any provision is made here for the furnishings.

Mr. Fournier (Hull): In which figure?

Mr. Fleming: In either figure.

Mr. Abbott: No.

Mr. Fleming: In other words the figures the minister has given simply represent the cost of the structure as renovated?

Mr. Fournier (Hull): Yes.

Mr. Fleming: Then I come back to my other point. Were not the considerations set out in the report the minister has just read available to the government before they selected this particular property for the Prime Minister's residence? I should have thought that, faced with such a situation, that is to say, complete uncertainty as to the eventual cost of renovating this large property, the government would have asked themselves whether they could not do better with their money by buying another property, or by building a new home on this site instead of renovating a house that I am told is many years old. Will the minister give us some further information on that point?

Mr. Fournier (Hull): The government gave a great deal of thought to this project, and came to the conclusion that this was the best way to acquire and have a home for the Prime Minister of Canada.

Mr. Adamson: The reason I brought this up in the first place was that I have heard it said by architects and others interested that it would have been better, and would have provided a better building at approximately the same or at least a known cost, if the house were torn down and a new house built. I wondered if the department had considered building a modern house instead of trying to renovate the old house on this site. As everyone knows, this is an admirable site for a home for the Prime Minister.

Mr. Fournier (Hull): It was discussed for I do not know how long. Every angle was gone into, but we came to the conclusion that having that site and the shell of this building we owned, it would be a proper way to proceed to provide this residence.

Item agreed to.

597. Prince Albert public building—addition and alterations—further amount required, $165,000.

Mr. Knight: Could we have the particulars concerning this expenditure?

Mr. Fournier (Hull): A contract was given last year for the alteration and enlargement of this building in Prince Albert. We estimated that during the year we would spend a total of $220,000. The contractor has proceeded more rapidly than we estimated, and we owe him a progress payment on the contract in this amount of $160,000.

Mr. Knight: What is the building?

Mr. Fournier (Hull): It is the post office and federal building in Prince Albert.

Item agreed to.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

600. Departmental administration—further amount required, $2,500.

Mr. Blackmore: I notice that this item is called "resources and development". I should like to say a word or two about the development of resources. I think everyone recognizes now that in the province of Alberta we have probably the finest resources of any province in Canada. Those resources have been there for hundreds of years; they have been there ever since people went to Alberta. We have

not been able to develop them until recently. Now, there are several reasons why that is so, and one of the largest considerations entering into the development of our resources today is the cost of doing business.

In this connection I desire to register an emphatic protest against the freight rate structure in Canada, particularly as it applies to western Canada. The freight rate structure is particularly important, because of the prevalence of the non-discrimination-in-trade philosophy in government thinking, which is leading the government to think that every industry ought to stand on its own feet. I do not know whether the Minister of Finance was correctly reported, or whether I remember exactly what I read, but it seems to me he used one of those breezy, dramatic expressions of his not long ago, that our industry in Canada has got to brace itself for competition abroad. Whether he said that or whether he meant it, I do not know but I fancy he meant it. The point is that, not very long after he made that remark, his government was party to permitting a thing to happen in Canada that increased the difficulty of every industry in Canada in bracing itself against competition from abroad. Now if you put enough difficulties or enough burdens on a man's back, he cannot brace himself against anything. He falls of his own weight.

In this connection, the freight rate structure is exceedingly important in this country. It increases production costs at the very time when we should keep production costs down. Then there is an excessively high cost of living today. It is a burden that is pushing the people of Canada right to the ground. I believe from coast to coast the Canadian people are literally groaning in misery. Not very long ago there was an increase in the price of coal in Ottawa, and the people just groaned. What was partly responsible for that increase? Things like the increase in freight rates—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but may I point out—

Mr. Blackmore: If the chairman would speak a little louder, I could hear him.

The Deputy Chairman: I said I was sorry to interrupt the hon. member, and I am sorry if I did not speak loudly enough for him to hear me. The item I have before me is item 600, "resources and development, departmental administration, further amount required, $2,500." I fail to see how the hon. member can discuss freight rates under this item, but perhaps that is not what he was talking about. Perhaps I did not hear him too well up here.

Mr. Blackmore: I thought I made it quite clear to the chairman when I began, that I was laying emphasis on the second part of the title, which is development of resources.

Mr. Abbott: I wonder if I could appeal to my hon. friend? This item actually covers an additional amount for printing and stationery of $1,000, and an additional item of $1,500 for travelling expenses. Tomorrow is private members' day and Thursday, for reasons with which the hon. member is familiar, I am unable to be in the house. As I indicated earlier, it is urgent that these estimates should, if possible, be passed tonight. I would appeal to him, if it were possible, to defer his remarks on the general subject of resources and development until a little later in the week, or perhaps some time next week.

Mr. Blackmore: I believe every member in the house, and the minister himself, will agree that the development of the resources of Canada is going to depend a great deal on the sort of freight rates that prevail in Canada. I fancy, therefore, I am quite in order in that respect. I realize the difficulties under which the minister is labouring, and I deeply sympathize with him; every member in the house does. We sympathize with him, not only because of the difficulties he is in with respect to having these estimates passed, but because of certain other difficulties. At the same time, I feel the discussion of freight rates has been deferred too long. I think it is time that the members who represent the provinces that are being victimized spoke out, every one of them.

Mr. Pouliot: Hear, hear.

Mr. Blackmore: I am glad to see that one hon. member is catching the spirit. It is not my desire, Mr. Chairman, to hold up the house unduly. I believe I have nearly said enough to express my point of view, but I should like to add a few words in a general way before I sit down.

I should like to excuse myself on another score. This amount of money we are discussing falls under item 600, which is departmental administration. From time immemorial it has been customary in British houses of commons for the widest latitude to be allowed in discussing the item of departmental administration. I do not have to have much latitude to get a freight rate discussion out of the development of our natural resources.

Before the chairman felt compelled to interrupt in that genial way of his which we all admire so much, I was going to point out that Canada needs a tremendous amount of population today. We are never going to get population into this country, and have it

remain here, unless we make it possible for the people in Canada to live. What we have been doing up to the present moment, and what we have been doing ever since I can remember—that is about 40 years in Canada—is having children; raising them and educating them; and then sending them to the United States. I taught school for 21 years in one of the finest districts in Canada. Every time I look back over the student bodies I had the privilege of teaching for 21 years, and think of the number of them who are now doing magnificent work in the United States, it makes me furious. I am urging this from the standpoint of getting population into this country, and keeping it here to build the powerful nation we ought to have.

We must give a lot more attention to our freight rate structure than we do at the present time. Having said that, I am going to defer the real development of my speech until a later time.

Item agreed to.

601. Dominion forest service—forest research and investigations—further amount required, $250,000.

Mr. Fraser: Is the minister taking over some of the work the Department of Agriculture is doing at the present time?

Mr. Winters: No, Mr. Chairman; there is nothing envisaged under this item, covering work the Department of Agriculture does. This covers an arrangement with the province of New Brunswick under the Canada Forestry Act.

Mr. Fraser: It is just for one province?

Mr. Winters: Just for one province.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

609. Subject to the approval of the governor in council, notwithstanding vote 907, to authorize payments out of the funds of the Fraser Valley diking board in accordance with the agreement of March, 1950, between the government of Canada, the government of the province of British Columbia and the said board; and to authorize such payments by the government of Canada to the said board out of vote 907 as are necessary to provide for Canada's share of the amount required by the the board to carry out the terms of the said agreement, $1.

Mr. Cruickshank: May I have a break-down of this item 609?

Mr. Abbott: It is a little bit difficult to give a break-down. This item is the usual dollar item to give statutory authority to close out the operations of the Fraser valley diking board. Both the province of British Columbia and ourselves are anxious to complete these works and to complete the settlement by the dominion government. It may be that to make the final adjustment and to determine the final figures will run us beyond March 31. The dollar item will give statutory authority to make this payment out of the consolidated revenue fund.

Mr. Cruickshank: I thank the minister. I just wanted to know how it was broken down.

Item agreed to.

610. To reimburse the Canadian wheat board for expenses incurred from August 1, 1948, to July 31, 1949, in the administration of delivery quotas and permit regulations, etc., $96,455.

Mr. Argue: I had hoped that the Minister of Trade and Commerce might be in his seat now, but I see that he is not there at the present time.

Mr. Green: He was here a minute or so ago.

Mr. Argue: The Minister of Finance is here, in any event, as is also the Minister of Agriculture. Under this Canadian wheat board item, I want to refer to the statement made earlier today by the Minister of Trade and Commerce to the effect that ten cents a bushel will be paid out on oats this year and forty cents a bushel on barley. The minister went on to say that one of the reasons no payment would be considered on wheat was the attitude taken by the opposition. I hope he was not referring to my attitude. I at no time objected to the twenty cents having been paid last year. My objection was rather to the fact that when this amount was paid the farmers were not told the actual financial position of the wheat board at that time; and from statements of the Minister of Agriculture and others they assumed there would be a substantial payment this year.

My question is this. I should like the Minister of Agriculture, if he can, or the Minister of Finance—who I am sure know the financial position of the wheat board with respect to wheat just as they do with respect to oats and barley—to tell this committee and the farmers of western Canada approximately how much the payment on wheat is likely to be after the conclusion of this crop year. As the Minister of Trade and Commerce pointed out this afternoon, the farmers must undertake certain credit; and in doing that they would like to know the payment they will receive for oats and barley. I am not asking the minister to go out on a limb, but surely he can estimate reasonably closely the amount the payment will finally be.

Mr. Abbott: I am sorry that the Minister of Trade and Commerce is not here. He had expected that we would reach his estimates earlier this evening and he had to leave. I believe he will be here tomorrow. I will

bring my hon. friend's question to his attention. I am not in a position to make an estimate; and for the reasons which the Minister of Trade and Commerce gave this afternoon, I do not believe any other minister is. All I can do is to bring my hon. friend's question to the attention of the minister, and he will try to deal with it tomorrow.

Mr. Argue: Would the Minister of Agriculture not care to make a guess?

Mr. Gardiner: This is not a matter which is under my department at all. It is a matter which is under the Department of Trade and Commerce and always has been. The statement has been made by the Minister of Trade and Commerce.

Mr. Green: Here is the Minister of Trade and Commerce coming into the chamber now.

Mr. Howe: In reply to the hon. member's question, the substance of which has been conveyed to me by my colleague, may I say that I have no idea.

Mr. Argue: I cannot accept that statement. In the past the Minister of Trade and Commerce has never been bashful about making forecasts. The wheat board is under his department, and I am sure he knows its financial position today and can make a reasonably good estimate of what the final payment will be. I am sure the farmers would like to know. For example, if a farmer over a five-year period had marketed 20,000 bushels of wheat—which is a quantity of wheat that many farmers would have marketed—and if the payment is twenty cents a bushel, the farmer will get another $4,000; if it is ten cents a bushel, he will get $2,000. All I am asking is that the minister make an estimate so that the farmers can plan their business this year in the light of the payment they can anticipate.

Mr. Ross (Souris): I should like to follow up this question for just a moment or two, and I will not be long. The other day I had on the order paper a question which had to do with the marketing of the 1949 crop up to date, and I was told that it was not in the public interest to give the trading position along certain lines on which I was asking the question. If that question had been answered as I asked it, we would have been in a position to know fairly closely what the next payment should be, at least; not what it would be, but what it should be. But I was not able to get that information. I think the attitude of the minister at this time is most unfair. I want to ask another question that deals with the item of approximately $96,000 for administration of delivery quotas and permit regulations. Has that to do with field inspectors? If it has, I should like to know how many of those there are.

Mr. Howe: No. That is the cost of administering the quota system at the elevators and certain services that the wheat board performs for the Department of Trade and Commerce. There is in the estimates each year a similar item covering expenditures incurred by the board in carrying out the instructions of the department.

Mr. Ross (Souris): I want to ask the minister again if he would not even give me the information?

Mr. Howe: No.

Mr. Ross (Souris): The other information that was refused?

Mr. Howe: No.

Mr. Ross (Souris): It cannot be done?

Mr. Howe: No.

Mr. Quelch: Whilst I appreciate the fact that the minister may not be in a position to state how much money there may be available to pay out in the five-year pool from the wheat board, on the other hand can the minister say whether or not any agreement has been reached with Britain with regard to a final payment on account of the "having regard" clause?

Mr. Howe: No.

Mr. Quelch: If there is no assurance on that point, can the minister say whether or not any decision has been arrived at by the cabinet as to whether or not any payment will be made in compensation for the amount of money lost by the farmers as the result of subsidizing the Canadian consumer and the British consumer during the five-year period?

Mr. Howe: No.

612. To reimburse the Canadian wheat board for the deficit incurred from the operations of the wheat board on the 1948 crop account, flax division, for the period August 1, 1948, to July 31, 1949, pursuant to order in council P.C. 3376 of July 28, 1948, $3,884,182.

Mr. Ross (Souris): This item has to do with an amount of almost $4 million on flax account and I think the minister should explain why that is. That also raises another point I want to mention. I had on the order paper a question which was answered at page 833. It had to do with the federal grain elevator at Saskatoon. I have now on the order paper another question asking for much more detailed information; but on the information I received, it cost the government over $78,000 to operate that elevator last year.

On the average by month, there was only a shade under 12,000 bushels of all types of grain stored there. That is a gigantic cost to somebody. The point I want to make about this flax is this, and I raised this issue with the minister throughout the war years, when the government was spending a great deal of money on crown companies and so on, and in assisting other companies. Whole processing plants were built in eastern Canada where your flax had to be taken east and processed and much of the processed article was taken west again, especially in the matter of feeds for livestock. Since then the farmers themselves have set up an organization and developed a processing plant at Saskatoon. I have been credibly informed that that plant had to close down last summer because there was not sufficient flaxseed and such like materials available in the west, because that flax and processing cereals had been moved east at that time. Naturally the cost would be too much to transport it back west.

Surely, with the grain and with an elevator such as that in Saskatoon, there was a great lack of co-operation somewhere between federal government departments, and certainly a vast waste of money. The building in Saskatoon cost over $1,500,000 to construct to begin with, and they are spending around $78,000 a year for administration, and have been for the last five years. They refuse to spend money to develop an industry that should have been developed where practically all of the flax is grown. Some of this processed material had to be shipped back west. I hope the minister can give an explanation of this huge expenditure to take care of the flax for that year. I pointed out what happened to the elevator in Saskatoon, and the lack of material being stored there last year.

Mr. Howe: The explanation of this item is that for the crop year 1948 the government guaranteed a price of $4 per bushel for flax marketed in that year. A very large crop of flax was grown, and while it looked like a safe price at the time it was set—it was a dollar below the guaranteed price of the previous year—suddenly instead of there being an active demand for flax there was no demand at all except for domestic sales, with a very little for export. The result is that the wheat board was not able to market in the year 1948 any more than a small part of their flax crop. Owing to a small crop last year the board is gradually disposing of the surplus. This amount is required to pay the carrying charges on the flax that was taken in, and to write the crop down to its current price of $3.80.

[Mr. Ross (Souris).]

As for storing flax in Saskatoon, the purpose of the wheat board is to market grain, not to store it. Storing is only incidental to marketing. Saskatoon is not a marketing point for flax, and it was moved to the market. It was the duty of anyone who had a crushing plant in the west to make arrangements with the board to store flax in Saskatoon, or to move it anywhere else, and arrangements could easily have been made. That was done to the extent that the arrangements were made, but nevertheless the board cannot run the business of the crushers. It can only market the farmers' grain to the best advantage, which is the work delegated to the wheat board.

Mr. Knight: Is it not true that at the time the crushing plant at Saskatoon was short of flax the wheat board was paying storage for that same flax in some of the large elevators in the east?

Mr. Howe: It may be.

Mr. Knight: I think the answer is not "may be" but "yes".

Mr. Ross (Souris): I would think the same situation is true of wheat. I understand that that elevator has a storage capacity of considerably over 5 million bushels. I say to those people who are very much interested in the Hudson bay route that this would be the place to store wheat as well as flax. There will have to be much more explanation of the matter than that given by the minister. I understand that there were less than 12,000 bushels on the average stored during all of last year in a building owned by the government with a storage capacity of over 5 million bushels. I understand that the wheat board will have quite an item for storage at the head of the lakes. At the same time their own building is standing out there idle throughout the year. There should be some explanation of that situation.

Mr. Howe: Mr. Chairman, we are losing export sales on wheat today because we cannot get enough wheat in marketing position. My hon. friend knows enough about wheat to know that marketing positions are Vancouver, or the head of the lakes or an eastern shipping point. Saskatoon is not a marketing point. Any grain stored there would be out of position and would cause that much further loss of export sales.

Item agreed to.

Atomic energy control board—

614. Chalk River project—capital and operating expenses—further amount required, $200,000.

Mr. Green: Mr. Chairman, this item is a vote for the Chalk River project. I am heartily in favour of it, but I would like to

take this opportunity of urging upon the Minister of Trade and Commerce that a special committee of the house be set up at this session to consider the working of the atomic energy control board or the work of the research council. The minister will remember that a recommendation of last year's committee was to this effect:

> Your committee has been in existence for only six weeks and in that time has been unable to complete its examination into the field of atomic energy development. Furthermore, this field is a new one, is widening rapidly, and may well be of tremendous importance to Canada. For these reasons your committee recommends that a special committee be reconstituted next session.

On the last day of the session I raised this question, and the minister's reply will be found at page 3108 of *Hansard*. He said:

> I presume the next session will come early in the new year. I fully agree with my hon. friend that the work of the committee was splendid. I believe it had a good deal to do with raising the spirits of the staff at Chalk River. It occurs to me that a similar committee might be set up to look into all the work of the national research council, including atomic energy. I am not promising that, but such a proposal could be considered next year.

Atomic energy developments, of course, are going on all the time, and the work of the research council is progressing, too. Great strides are being made by that council. It is of the utmost importance that the house should be kept in touch with these developments. I am quite sure that other hon. members who served on the atomic energy committee last year will agree with me when I say that the co-operation in that committee was excellent. Everyone who belonged to it was very proud to be a member, and felt that there was a great deal more work to be done. It would be a pity if that work were not to be continued during the present session. I urge upon the minister that he agree to the setting up of a committee at this session to consider either the work of the atomic energy control board, or, in line with his own suggestion, to deal with the work of the national research council.

Mr. Howe: The matter will be given consideration.

Mr. Adamson: This is an item of $200,000. Most of the work is not public. What is the total cost of the Chalk River plant? Does it sell radioactive isotopes to industry? If so, what is the revenue from those sales?

Mr. Howe: Mr. Chairman, this item simply covers certain supplies. I do not know what the total cost is. I suppose it is getting up toward $27 million or $28 million.

Mr. Adamson: That is the total capital cost.

Mr. Howe: Yes. The revenue is small, but it is beginning to build up. I think in the year 1950-51 there will be substantial revenue, perhaps running to $250,000 or $300,000.

Mr. Drew: Will the minister make a definite statement as to whether there will be a committee?

Mr. Howe: No.

Mr. Drew: So we are just left to guess as to whether there may or may not be a committee?

Mr. Howe: Yes.

Mr. Drew: This is a perfect example of the way the government keeps demanding that there be some co-operation, but offers none.

The Deputy Chairman: Order.

Mr. Sinclair: Carried.

The Deputy Chairman: The hon. member for Cape Breton South.

Mr. Fraser: Well, well.

Mr. Gillis: Mr. Chairman, I should like to say a word on this particular item. As a rule the hon. member for Vancouver-Quadra is very much to the point in his remarks. In this particular instance I do not think he is. I think that instead of asking for the setting up of a committee on atomic energy, specifically, the main attempt of this committee should be to set up a committee on defence matters, generally, because I feel that this matter of atomic energy is one that is tied in directly with matters of defence.

The Deputy Chairman: I understand the hon. member wishes to speak to item 614?

Mr. Gillis: Yes.

The Deputy Chairman: That refers to the Chalk River project, capital and operating expenses, $200,000.

Mr. Gillis: Yes, and that is exactly the item I am talking about. So far as I am concerned, the amount required in this vote, for the purposes for which it is intended, receives my hearty approval. I am completely in accord with it. At the same time I do not think these two matters can be separated to any great extent.

The hon. member for Vancouver-Quadra was permitted to make a suggestion that a committee should be set up to supervise, scrutinize and report to the house concerning matters which may come within the scope of this vote. It is concerning the remarks of the hon. member that I wish to speak. I say that a committee of that kind at this time is not one which would meet with my approval. In my view the time has come when we should get down to considering a main committee on defence.

The Deputy Chairman: Order. When the chairman rises it is one of the rules that hon. members must resume their seats. I see now that the hon. member has done so, and I thank him for it. I believe I heard him say that he is in complete accord with item 614. Shall the item carry?

Some hon. Members: No.

The Deputy Chairman: Then I would ask the hon. member to relate his remarks to the item under discussion, and not speak about national defence.

Mr. Gillis: Thank you, Mr. Chairman. I do not wish to be bothersome, or to delay the Minister of National Defence in having this item passed. I will repeat what I said earlier, that I agree with the principle behind this item. However, if we wish to discuss it in detail, in all its ramifications, it will take a long time. I have no intention of doing that either—and I am not going to talk this out, until eleven o'clock.

Mr. Abbott: Perhaps the hon. member would allow an interruption. As I indicated earlier, there is some importance in passing a supply bill, including two of these items, today, if possible. It is impossible for me to be here until Friday. Tomorrow is private members' day. If I could have unanimous consent to a motion to sit a few minutes after eleven o'clock, I would hope that we might be able to conclude by that time. However, I appreciate the fact that to do so I would require unanimous consent. I would appreciate it personally if such consent could be given, because hon. members will understand that I have heavy commitments between now and next Tuesday when the budget is to be brought in. It would be a great accommodation if this procedure could be followed.

Mr. Gillis: I can complete my remarks.

Mr. Abbott: Then if I might put the motion now to sit after eleven o'clock—

Mr. Gillis: All I want to do is to ask a question.

Mr. Abbott: I would need a motion, anyway.

Mr. Gillis: If you want to; I will do anything to accommodate you.

Mr. Abbott: I would make the motion to sit after eleven o'clock, if I could have unanimous consent—in the hope that it would take only a few minutes.

The Deputy Chairman: Is there unanimous consent?

[Mr. Gillis.]

Mr. Knowles: Only for a limited time. So often we grant a few minutes, and we are here for an hour.

Mr. Abbott: I should hope we might do it by 11.15. We have a few more items to pass, all of the usual year-end variety, to pay bills. Then we have to put through two bills founded on the interim supply. I should hope to conclude that.

Mr. Drew: I am quite prepared to sit as long as required, and I wish to have that understood. But I also wish it definitely understood that these are not just a few items to be dealt with. There are two very important items here which have not been discussed previously. One of these amounts to $42 million and the other to $4,317,000. I certainly intend to direct a number of remarks to the latter item, because it is the first time it has been before the house.

Mr. Abbott: I should hope we might sit a sufficient length of time to dispose of these, and would ask if the house would be prepared to do that. Of course, I am not in a position to insist. However, it would greatly facilitate the job I have to do if that consent were given. We have had close to five hours of discussion now.

Mr. Fleming: It will be just as easy, with unanimous consent, to take it tomorrow.

Mr. MacInnis: I have no objection to sitting fifteen or twenty minutes, but I am not going to sit here, if there is going to be a discussion, until twelve o'clock.

Mr. Abbott: Then may I suggest this: tomorrow is private members' day, on resolutions, I understand. If I could have unanimous consent to complete this job at three o'clock, perhaps it would suit the house better. I would appreciate it very much if that could be done.

Some hon. Members: Agreed.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow being private members' day, after the Minister of Finance has concluded the business he announced a moment ago we will take up resolutions standing in members' names, following the order under standing order No. 15.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Administration service—

565. Publicity and extension division—further amount required, $12,000.

Experimental farms service—

566. Branch farms and stations and illustration stations—further amount required, $38,000.

Production service—

Health of Animals—

567. Administration of Animal Contagious Diseases Act, and Meat and Canned Foods Act—further amount required, $63,000.

568. Compensation for animals slaughtered—further amount required, $1,225,000.

Marketing service—

569. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $9,448.

Special—

570. Agricultural Products Act—to provide for losses incurred in respect of the purchase, sale and export of agricultural products under the Agricultural Products Act, including authority for the Minister of Finance, at the request of the Minister of Agriculture, from time to time, to pay amounts in the aggregate not exceeding $40,000,000 out of any unappropriated money in the consolidated revenue fund as recoverable advances—further amount required. $350,000.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian Affairs branch—

Welfare—

571. Welfare of Indians—further amount required, $100,000.

DEPARTMENT OF EXTERNAL AFFAIRS

B—General—

The Canadian government's assessment for membership in the following international or commonwealth organizations—

572. World health organization—further amount required, $48,695.

573. Inter-allied reparations agency, $7,830.

Demobilization and reconversion—

574. To provide for the Canadian government's contribution to the international refugee organization—further amount required, $402,000.

DEPARTMENT OF FINANCE

Superannuation and retirement benefits—

575. Government's contribution to the superannuation fund—further amount required, $63,000.

Public debt charges—

Servicing of public debt—

576. Commission for payment of interest on public debt, services of fiscal agents, London, registrars fees, etc.—further amount required, $20,000.

General—

577. To provide for the government's contribution as an employer, to the unemployment insurance fund in respect of government employees paid through the central pay office—further amount required, $100,000.

578. To provide for the expenses of the dominion-provincial conference held in January, 1950, $6,000.

Insurance—

579. Departmental administration—further amount required, $4,000.

DEPARTMENT OF LABOUR

A—Department—

580. Departmental administration—further amount required, $47,000.

Annuities Act—

581. Notwithstanding the Government Annuities Act, to authorize the Minister of Labour, in consequence of the transfer of employees from David Spencer Limited and David Spencer (Duncan) Limited (hereinafter called the original employers) to T. Eaton Company British Columbia Limited (hereafter called the new employer) to enter into a contract or contracts with the original employers and the new employer, to provide that the new employer shall effective October 15, 1949, become a party to group annuity contracts Nos. G. 421 and G. 463 in the place of the original employers with respect to employees to whom those contracts applied and who were transferred to the new employer and for the application of the contracts in respect of service with the original employers and the new employer and for such other terms as the minister deems necessary for the maintenance and continuity of pension rights of the employees under those contracts, and to provide for payments in the current and subsequent fiscal years in accordance with the contract or contracts so entered into out of the government annuities account, $1.

Demobilization and reconversion—

582. To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms and other essential industry in Canada when Canadian labour is not available to meet the need; including costs connected with the supervision and welfare of persons already immigrated to Canada under former authorized labour movements and administrative expenses connected therewith—further amount required, $136,500.

B—Unemployment Insurance Act, 1940—

583. Government's contribution to the unemployment insurance fund—further amount required, $2,500,000.

584. To authorize and provide for payment of unemployment assistance to residents of Newfoundland within the terms set forth under vote 681 in the supplementary estimates (Newfoundland) 1949-50, as authorized by the Appropriation Act No. 7, 1949—further amount required, $700,000.

585. To reimburse the unemployment insurance fund under section 87F (1) of the Unemployment Insurance Act, 1940, as amended by statute of 1950, $1,500,000.

LEGISLATION

The Senate—

586. General administration—further amount required, $2,500.

587. To provide for the payment of the full sessional indemnity for the first and second sessions of 1949 to members of the Senate for days lost through absence caused by public business, by illness, or on account of death. Payments to be made as the treasury board may direct—further amount required, $21,425.

House of Commons—

588. To provide for the full sessional indemnity to members of the House of Commons—days lost through absence caused by illness, official public business, or order of the house, or on account of death during the second session of 1949—notwithstanding anything to the contrary in chapter 147 of the revised statutes, 1927, an act respecting the Senate and House of Commons, or any amendment thereto. Payments to be made as the treasury board may direct—further amount required, $3,750.

589. Estimates of the sergeant-at-arms—further amount required, $8,000.

Supply

DEPARTMENT OF NATIONAL DEFENCE

General services—

590. Miscellaneous maintenance and adjustments (war of 1914-18)—further amount required, $15,000.

Pensions and other benefits—
Civil pensions—

591. Mrs. Alice Smuck—further amount required, $227.

Demobilization and reconversion—

592. To provide for the defence forces of the navy, army and air services, and to authorize notwithstanding section 29 of the Consolidated Revenue and Audit Act, total additional commitments for this purpose for the current year of $7,000,000 against which commitments it is estimated that actual expenditures in 1949-50 will not exceed a further amount of $4,000,000.

PRIVY COUNCIL OFFICE

593. General administration—further amount required, $6,500.

594. To provide for expenses of the royal commission on national development in the arts, letters and sciences—further amount required, $26,041.

DEPARTMENT OF PUBLIC WORKS

Architectural branch—construction, repairs and improvements of public buildings—

Quebec—

595. Three Rivers public building—addition—further amount required, $95,000.

Ontario—

596. Ottawa—Prime Minister's residence—repairs, alterations and improvements, $35,000.

Saskatchewan—

597. Prince Albert public building—addition and alterations—further amount required, $165,000.

Engineering branch—construction, repairs and improvements—harbours and rivers—

Quebec—

598. Blue Sea lake—wharf replacement—to complete payments, $2,700.

Point Basse, M.I.—breakwater-wharf replacement—further amount required, $20,000.

Ontario—

599. Kingston—to purchase wharf property, $20,500.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

600. Departmental administration—further amount required, $2,500.

Mines, forests and scientific services branch—
Dominion forest service—

601. Forest research and investigations—further amount required, $250,000.

Lands and development services branch—
Northwest Territories and Yukon services—Arctic division—

602. Administration—further amount required, $4,500.

Yukon division—

603. To provide for a contribution to the Sisters of Sainte Anne toward provision of hospital facilities at Dawson, Yukon territory, $29,000.

National parks services—

604. To authorize, notwithstanding the provisions of the act respecting the National Battlefields at Quebec, payment of $2,060.07, being a donation received by the national battlefields commission from the soldiers' war memorial committee of Quebec, to a committee of ex-commanding officers of the Royal 22nd Regiment towards the cost of publishing a history of the said regiment, $1.

DEPARTMENT OF SECRETARY OF STATE

605. Departmental administration—further amount required, $4,000.

606. Trade marks branch—further amount required, $800.

Patent and copyright office—

607. Patent record division—further amount required, $15,000.

608. Contribution to the international office for the protection of industrial property, and office of the international union for the protection of literary and artistic works—further amount required, $500.

DEPARTMENT OF TRADE AND COMMERCE

A—Department—Special—

609. Subject to the approval of the governor in council, notwithstanding vote 907, to authorize payments out of the funds of the Fraser valley diking board in accordance with the agreement of March, 1950, between the government of Canada, the government of the province of British Columbia and the said board; and to authorize such payments by the government of Canada to the said board out of vote 907 as are necessary to provide for Canada's share of the amount required by the board to carry out the terms of the said agreement, $1.

610. To reimburse the Canadian wheat board for expenses incurred from August 1, 1948, to July 31, 1949, in the administration of delivery quotas and permit regulations, etc., $96,455.

611. To reimburse the Canadian wheat board for the balance of the deficit incurred from the operations of the wheat board on the 1947 crop account, flax division, for the period August 1, 1948, to July 31, 1949, pursuant to orders in council P.C. 3038 of July 31, 1947, and P.C. 829 of February 26, 1948, $189,831.

612. To reimburse the Canadian wheat board for the deficit incurred from the operation of the wheat board on the 1948 crop account, flax division, for the period August 1, 1948, to July 31, 1949, pursuant to order in council P.C. 3376 of July 28, 1948, $3,884,182.

613. To reimburse the Canadian wheat board for the deficit incurred from the operations of the wheat board on the 1948 crop rapeseed account, for the period ended July 31, 1949, pursuant to the regulations passed under the Appropriation Act No. 4, 1948-49, vote 887 and the Canadian Wheat Board Act, 1935, as amended, and approved by order in council P.C. 3717 of August 25, 1948, $399,608.

HOUSE OF COMMONS

Wednesday, March 22, 1950

The house met at three o'clock.

UNEMPLOYMENT

NEWFOUNDLAND—REFERENCE TO STATEMENT IN COMMITTEE OF SUPPLY ON MARCH 21

Hon. Humphrey Mitchell (Minister of Labour): On a question of privilege, Mr. Speaker, I should like to correct a statement made yesterday in reply to the hon. member for St. John's West (Mr. Browne) appearing at page 978 of *Hansard*. I spoke with the hon. member after the sitting concluded. I said that twenty per cent of the people unemployed in Canada reside in the province of Newfoundland. I intended to say that approximately twenty per cent of the employable people of Newfoundland are unemployed. The employable population of Newfoundland is approximately 112,000. The total number of those registered for employment with our national employment service offices at March 2 was 18,600, so the actual percentage is 17. I was using the approximate percentage. I might add that 13,700 of these persons seeking work are either in receipt of unemployment assistance or insurance benefits, or are waiting for their claims to be processed. The total expenditure on this account for the month of March will be almost $1 million.

STRAIT OF CANSO BRIDGE

PROGRESS TOWARD CONSTRUCTION—CHANGE IN WIDTH OF ROADWAY

Hon. Lionel Chevrier (Minister of Transport): With your permission, Mr. Speaker, I should like to make a statement on the strait of Canso bridge.

In March, 1949, the board of engineers which was appointed to review plans for the betterment of transportation facilities across the strait of Canso submitted their final report, in which it was recommended that a low level bridge for both highway and railway traffic should be constructed at an estimated total cost of $13,503,128. In May of the same year the Department of Transport entered into a contract with P. L. Pratley, consulting engineer of Montreal, Quebec, for the design and supervision of construction of the bridge on a fixed fee basis.

Dr. Pratley immediately established his necessary staff in order to carry out field and office investigations leading to the award of a contract for the construction of the bridge. A contract was awarded to Foundation Maritime Limited for eight borings on the bridge site in order to establish definite foundation conditions. These borings were completed in the first week of September of last year. Negotiations were carried out by Dr. Pratley with both the province of Nova Scotia and the Canadian National Railways in order to establish the final location of the bridge and other factors.

The report of the board of engineers adopted a clear roadway width of 22 feet between curbs for the highway portion of the bridge. Contract plans and specifications were undertaken by Dr. Pratley on this basis.

The dominion-provincial conference on trans-Canada highways, at their meetings in Ottawa on December 15 and 16 last, adopted a minimum roadway width between curbs of 24 feet for all bridges in excess of 30 feet in length which were to be constructed as part of the highway system. As a result of the adoption of this standard, further negotiations were undertaken with the province in order to determine their wishes in respect of the roadway width of the Canso bridge in the light of the standard as adopted by the conference. Their attention was drawn to the fact that an increase in width from 22 to 24 feet would result in an increase in cost of approximately two per cent of the original total estimate and would also delay the calling for tenders for the work by three or four months due to the necessity of a complete redesign of the steel superstructure and foundations.

Under date of February 24, 1950, I received a letter from the Hon. Angus L. Macdonald, premier of Nova Scotia, in which he informed me that, while he agreed that the insistence of 24 feet would delay the undertaking, he considered that the bridge should be designed for a roadway width of 24 feet between curbs to allow for a reasonable safety factor in highway travel on the structure. On receipt of this letter, Dr. Pratley was informed by my office to immediately change his plans and specifications to conform to this standard.

Previous to this change, it was anticipated that final plans and specifications would have been ready to call for tenders on construction in March of this year with actual construction beginning by August or September. As matters now stand, it will not be possible to call

for tenders until July, with actual construction work on the main piers deferred until early next spring. It is expected, however, that during this year the province will undertake work on the highway approaches on the Cape Breton side of the bridge, and likewise the Canadian National Railways will undertake the necessary revisions to railway lines on the island leading to the proposed structure.

Mr. Cruickshank: May I ask the minister a question in connection with this statement? How many people will this bridge serve?

Mr. Chevrier: It is not a question of serving people; it is a question of connecting the mainland of Nova Scotia with Cape Breton island, by means of a provincial highway. The Canadian National railways will also operate over this bridge.

Mr. Cruickshank: Will the pipe line also?

HOUSE OF COMMONS

STAFF OF SERGEANT-AT-ARMS—ONTARIO WORKMEN'S COMPENSATION

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Last evening the member for Peterborough West (Mr. Fraser) asked the Minister of Finance whether the staff of the Sergeant-at-Arms was covered by the Ontario Workmen's Compensation Act. The answer is yes.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—SLIDE DETECTOR FENCES

Mr. Fulton:

1. At what points have electric slide detector fences been installed on the Canadian National Railways line in British Columbia?
2. What other safety warning devices against rocks and slides have been installed?
3. Have any reports been received on the operation of these installations?
4. Do the reports indicate that these types of installations are satisfactory for the purpose of giving warning of rocks and slides?
5. If not, in what way are they unsatisfactory?
6. What further or other installations for this purpose are contemplated, and when is it expected the work on them may begin?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. A test installation of 1,720 feet of slide detector fences has been made on the Ashcroft subdivision between mileages 93·7 and 94·0.

2. In selected areas there is provided a twenty-four-hour inspection service by watchmen and patrolmen. Automatic signals have also been installed in certain sections to better facilitate train operations.

3. Yes.

4. Not in so far as slide detector fences are concerned.

5. Difficulty is experienced in keeping slide detector fences in service at periods of heavy snowfall and of interference from snow slides.

6. Additional installations of slide detector fences will be considered after reviewing results achieved from experimental installations.

NEWFOUNDLAND—AMOUNTS COLLECTED IN DUTIES AND TAXES

Mr. Browne (St. John's West):

What amount has been collected in Newfoundland during the eleven-month period ending February 28, for (a) excise duties; (b) custom duties; (c) income taxes; (d) succession duties?

Mr. McCann:

(a) Excise taxes, $2,646,306.08; excise duties, $1,222,467.02; total, $3,868,773.10; (b) customs import duties, $3,011,714.12; (c) $3,446,248; (d) $30,990.

CANADIAN NATIONAL RAILWAYS—COAL PURCHASES IN CANADA AND UNITED STATES

Mr. Isnor:

1. What quantity of coal (a) Canadian; (b) United States, was purchased by the Canadian National Railways in the years 1947, 1948, 1949?
2. Of orders placed, what quantities of (a) Canadian; (b) United States, coal were delivered in each of these years?
3. What are the names of coal suppliers (a) Canadian; (b) American?
4. Have coal orders for years 1950 and 1951 been placed as yet?
5. If so, for what quantity in (a) Canada; (b) United States?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. Orders were placed as follows:

	Canadian N.T.	United States N.T.
1947	2,349,400	8,692,900
1948	2,822,700	6,936,200
1949	2,515,200	4,223,100

2.

	Canadian N.T.	United States N.T.
1947	1,733,300	6,192,200
1948	2,123,600	5,376,500
1949	2,237,800	3,022,300

3. For competitive reasons it is not in the general interest to provide the names of individual suppliers.

4. Contracts involving prospective deliveries in 1950 are still under negotiation. No orders have been placed for 1951.

5. See answer to No. 4.

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. Knowles:

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of only the basic pension of $25 per month?

3. How many are in receipt of non-contributory service pensions (a) $25.01 to $29.99 per month; (b) $30 to $39.99 per month; (c) $40 to $49.99 per month; (d) $50 to $59.99 per month; (e) $60 to $69.99 per month; (f) $70 to 79.99 per month; (g) $80.00 to $89.99 per month; (h) $90 to $99.99 per month; (i) $100 or over per month?

4. How many retired employees of the Canadian National Railways are in receipt of pensions in part basic and in part contributory (a) $25.01 to $29.99 per month; (b) $30 to $39.99 per month; (c) $40 to $49.99 per month; (d) $50 to $59.99 per month; (e) $60 to $69.99 per month; (f) $70 to $79.99 per month; (g) $80 to $89.99 per month; (h) $90 to $99.99 per month; (i) $100 or over per month?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. Thirty-one under C.N.R. prior plan.

2. 2,952.

3. (a) $25.01 to $29.99 per month, 845; (b) $30 to $39.99 per month, 655; (c) $40 to $49.99 per month, 347; (d) $50 to $59.99 per month, 234; (e) $60 to $69.99 per month, 155; (f) $70 to $79.99 per month, 107; (g) $80 to $89.99 per month, 63; (h) $90 to $99.99 per month, 48; (i) $100 or over per month, 121—Total 2,575.

4. (a) $25.01 to $29.99 per month, 450; (b) $30 to $39.99 per month, 2,064; (c) $40 to $49.99 per month, 1,588; (d) $50 to $59.99 per month, 1,135; (e) $60 to $69.99 per month, 896; (f) $70 to $79.99 per month, 751; (g) $80 to $89.99 per month, 652; (h) $90 to $99.99 per month, 513; (i) $100 or over per month, 1,806—Total, 9,855.

Mr. Knowles:

1. What is the total number of persons employed by the Canadian National Railways?

2. Of these, how many are eligible to contribute toward a supplemental pension in addition to the basic pension of $25 per month to which they will be entitled on retirement at age 65?

3. How many are now contributing toward such a supplemental pension?

4. How many Canadian National Railways employees, upon retirement, will qualify, according to their present status for non-contributory service pensions?

5. How many employees now working for the Canadian National Railways will be entitled on retirement, according to their present status, to only the basic pension of $25 per month?

6. Is the basic pension of $25 per month available to all employees, and, if so, on what conditions?

Mr. Chevrier: The Canadian National Railways advise as follows:

1. On Canadian lines at December 31, 1949, 103,939.

2. All except temporary employees and those who commenced after age fifty-five and those who are now contributing to other railway pension funds, viz.: 5,091 contributors to Intercolonial provident fund and 18 contributors to Grand Trunk Railway superannuation fund.

3. Contributors to C.N.R. pension plan, 37,702; contributors to I.C.R. and P.E.I. provident fund, 5,091; contributors to G.T.R. superannuation and provident fund association, 18.

4. Service pensions are payable to employees who entered the service before attaining age fifty who at December 31, 1934, had at least ten years' allowable service and at age sixty-five have at least fifteen years' allowable service. It is not possible to say how many employees will meet these requirements.

5. There is no record of the number of employees who on retirement will be entitled to only the basic pension of $25 per month. Approximately only 35 per cent of eligible employees are contributing to a supplementary pension.

6. Basic pensions are payable to: (a) employees who entered the service before December 31, 1934, who had less than ten years' allowable service at that date and who have at least fifteen years' allowable service at age sixty-five; (b) employees who entered the service after December 31, 1934, at not over age forty-five and who at age sixty-five have at least twenty years' allowable service.

VETERANS AFFAIRS—ASSAULTS ON OFFICIALS

Mr. Fulton:

1. Was a D.V.A. official shot and wounded by a veteran of the first world war at Port Arthur recently?

2. If so, what are the names of the official and the veteran concerned?

3. Is the veteran in receipt of a disability pension? If so, for what disabilities and what degree of disability in each case?

4. What was the subject of discussion, or the ostensible purpose of the visit, between the veteran and the D.V.A. official on this occasion?

5. Has the minister or the department any information as to the grievance which caused the veteran to act as he did? If so, what are the facts in this connection?

6. How many assaults with or without shooting have been made on D.V.A. or Canadian pension commission officials by veterans since the end of the war in 1945, and where did these take place?

Mr. Mutch:

1. Yes.

2. C. H. H. Moss; A. J. N. Gagnon.

3. No.

4. Discussion with respect to the reinstatement of war veterans allowance.

5. Yes. War veterans allowance was approved at the maximum permissive single rate of $40.41 per month, effective July 16,

1948, the date the application form was received at the district office of the department in Winnipeg. On October 7, 1948, the veteran commenced employment as barn boss with the Long Lac Pulp and Paper Company, Long Lac, at a gross wage of $7.35 per day.

As he was thus employed and self-supporting, war veterans allowance was not indicated and was suspended as from the date of commencement of his employment.

War veterans allowance had been paid up to November 30, 1948, thereby creating an overpayment of $73, which Mr. Gagnon refunded.

His employment with the Long Lac Pulp and Paper Company terminated on February 8, 1949, and he immediately applied for reinstatement to war veterans allowance.

It was computed that his gross earnings during the above period of employment totalled approximately $900. After paying for his room and board, laundry, etc., during his employment, he had $600 cash remaining according to his declaration dated February 11, 1949, and this was the amount which the board took into account, as his earnings rather than the gross amount of $900, when considering his application for reinstatement to war veterans allowance.

Furthermore, from these earnings of $600 an additional exemption of $125 was allowed for various incidental expenses, such as transportation, extra essential clothing, etc., and the amount finally taken into account as net earnings was $475.

On the basis of a veterans allowance year commencing October 7, 1948, the date of commencement of the veteran's employment with the Long Lac Company, his income position was as follows:

Net earnings October 7, 1948 to February 8, 1949, $475; balance available for W.V.A. $135; total, $610; and war veterans allowance was reinstated at the rate of $18.76 per month, effective March 1, 1949, which, with his earnings, would have provided Mr. Gagnon with the maximum income permissive under the War Veterans Allowance Act during the veterans allowance year commencing October 7, 1948.

Then, under date of June 19, 1949, Mr. Gagnon advised that he had been working since June 1, 1949, but did not know how he would be able to keep it up. He stated that he could not maintain himself on $18.76 a month and so was obliged to work.

The letter was addressed from a depot of the Marathon Paper Mills, signifying that this company must be his employers.

[Mr. Mutch.]

As he was again employed and self-supporting, payment of war veterans allowance was cancelled effective June 1, 1949, and, in the communication to Mr. Gagnon informing him of the cancellation, he was also informed that if and when his present work ceased he was at liberty to apply through the district office of the Department of Veterans Affairs in Winnipeg for reconsideration.

This letter, which was dated July 18, 1949, was addressed to Mr. Gagnon care of Marathon Paper Mills, Caramat depot, Ontario, but, as he had left the employ of that company in the meantime, it was unclaimed and returned to the war veterans allowance board, and in August, 1949, was forwarded to the district office in Winnipeg with the request that it be forwarded on to Mr. Gagnon at his right address.

Under date of September 8, 1949, the district office in Winnipeg advised that the veteran's correct address was then care of Mrs. Ernest Gagnon, Ste. Amelie, Manitoba, and that the board's letter dated July 18, 1949, had been forwarded to that address.

On December 12, 1949, Mr. Gagnon called at the department's office in Port Arthur requesting immediate payment of war veterans allowance. He was again advised that it would be necessary to reapply, but he wanted to know what he was supposed to do in the meantime, remarked that the government could keep the allowance, and walked out. The war veterans allowance board heard nothing of the case between the time of reforwarding the letter of July 18, 1949, and Mr. Gagnon's visit to the Port Arthur office on February 10, 1950.

6. There have been two cases of assault with shooting. Other minor incidents, due to over-indulgence in alcohol or other causes, have occurred, but no statistical record has been maintained by the department.

CRIMINAL CODE—APPLICATION TO NEWFOUNDLAND

Mr. Higgins:

What steps are being taken to make the provisions of the Criminal Code applicable to Newfoundland?

Mr. Garson: The Department of Justice and the Department of the Attorney General of Newfoundland are studying the matter in order to decide whether the Criminal Code should be brought into force in Newfoundland by act of parliament or by proclamation, and to decide what statutes of Newfoundland should at the same time be repealed. It is expected to bring it into force in the near future, and before the end of the present session of parliament.

IRRIGATION—SOUTH SASKATCHEWAN RIVER

Mr. Diefenbaker:

What have been the expenditures month by month since the first day of July, 1949, to date, on the South Saskatchewan river irrigation and development plan?

Mr. McCubbin:

July	$ 136,637.76
August	94,877.96
September	74,700.99
October	100,891.61
November	91,527.62
December	79,964.10
January	50,052.72
February	53,363.35
	$ 682,016.11
Expenditure prior to July, 1949	567,802.30
Expenditure to date	$1,249,818.41

FISHERIES—COASTAL PROTECTION SERVICE

Mr. Smith (Queens-Shelburne):

1. Have steps been taken towards setting up a joint committee representing the departments of fisheries, transport, and national defence, for the purpose of unifying and improving the coastal protection service?

2. If so, has such a committee been set up?

3. Has the committee been instructed to investigate improvements in the protective service for fishermen?

4. If so, will consideration be given to the provision of a radio-equipped and all-weather sea rescue and emergency towing service for small fishing craft?

5. When will the recommendations of this committee be made known, and when will action be taken to implement such recommendations?

Mr. Chevrier:

1. Yes.

2. An interdepartmental committee has been set up to review the present arrangements for search and rescue and to make recommendations for improved and more efficient service.

3. The search and rescue is intended to cover all seafarers operating off the Canadian coasts.

4. The terms of reference of this committee quoted in answer 2 above are sufficiently embracing to cover this consideration.

5. The recommendations of this committee will shortly be available when the action required to implement them will be considered.

FREIGHT TONNAGE THROUGH NORTH SYDNEY VIA PORT AUX BASQUES, NFLD.

Mr. Higgins:

What was the total tonnage of freight routed through North Sydney via Port aux Basques in 1949?

Mr. Chevrier: The Canadian National Railways advise as follows:

Total tonnage (all traffic) handled at North Sydney in 1949 amounted to 64,129 tons. Considerable time and labour would be involved in order to ascertain tonnage handled between North Sydney and Port aux Basques as this would require the examination of waybills of every inward and outward shipment between the mainland and Newfoundland.

CENTRAL MORTGAGE AND HOUSING—RENFREW HEIGHTS, VANCOUVER

Mr. Green:

1. What was the cost of building the houses constructed for Central Mortgage and Housing Corporation in what is known as Renfrew heights in the city of Vancouver?

2. What was the cost of servicing this development by installing services, sewers, water, paved roads and other services?

3. Do either of these costs include any allowance for overhead or operating cost of the corporation?

4. If so, what amount?

Mr. Prudham:

1. Building cost, $3,512,578.35; unit cost, $5,994.16.

2.

Sewer, water and gas	658,610.69	
Street lighting	2,251.48	
Sidewalks, curbs and gutters	144,894.41	
Street paving	109,041.09	
		914,797.67
Land and land improvements (including an amount of $10,000 representing the unexpended portion of the contract to landscape the project)		538,562.02
		1,453,359.69

3. Yes. Construction overhead cost is included in building cost.

4. $64,460.

RESTRICTIONS ON CANADIANS WITH DIPLOMATIC STATUS IN U.S.S.R.

Mr. Adamson:

1. How many Canadians are at the present time employed with diplomatic status in the U.S.S.R.?

2. What restrictions are placed on our diplomats in the U.S.S,R.?

3. How are their movements restricted?

Mr. Pearson:

1. Four.

2 and 3. The principal restriction on Canadian diplomats in the U.S.S.R. is an order of the Soviet foreign ministry of September 30, 1948, prohibiting foreign diplomats in Moscow from travelling to a very large number of

places beyond a radius of 50 kilometres from Moscow, and most localities within that area. The list of places includes the Soviet Socialist republics of Estonia, Latvia, Lithuania, Moldavia, Finno-Karelia, Azerbaijan, Armenia, Turkmenia, Uzbekia, Kirghizia, Tajikistan, Kazakstan, and most of the Ukraine and Byelorussia, including Kiev and Minsk, the capitals of the two latter republics, which are, it will be recalled, members of the United Nations.

Some areas still remain accessible to foreign diplomats on condition that advance information about the proposed journey is given to the Soviet foreign ministry. Since the Soviet order was issued some members of the staff of the Canadian embassy in Moscow have been permitted to travel to Yaroslavl and Rybinsk, Kuibishev and Stalingrad.

This seems to be the only formal restriction placed by the Soviet authorities on our diplomats in Moscow but many Soviet administrative requirements, which are unobjectionable in principle, are applied in a restrictive and hampering fashion.

There are also restrictions placed on Soviet citizens in their dealings with all foreigners, including diplomats, such as the decree of December 18, 1947, regulating the relations between Soviet officials and foreigners.

Finally the hostile attitude of the Soviet government and the Soviet press has had the effect of convincing the citizens of the U.S.S.R., with few exceptions, that association with foreigners is dangerous, and hence the usual contacts of diplomats with ordinary people, and even Soviet officials, are greatly restricted.

RESTRICTIONS ON CANADIANS WITH DIPLOMATIC STATUS IN CERTAIN EUROPEAN COUNTRIES

Mr. Adamson:

1. How many Canadians are at the present time employed with diplomatic status in each of the following countries: (a) Hungary; (b) Bulgaria; (c) Albania; (d) Roumania; (e) Czechoslovakia; (f) Poland: (g) Yugoslavia?
2. What restrictions are placed on them?

Mr. Pearson:

1. (a) Nil; (b) nil; (c) nil; (d) nil; (e) three; (f) three (g) three.

2. No formal restrictions are placed on our diplomats in Czechoslovakia, Poland and Yugoslavia. But the same considerations mentioned with regard to the U.S.S.R. also apply in varying degrees to Czechoslovakia and Poland. It is not so much a question of carefully spelled out restrictions on our diplomats, as a general campaign by the governments of Poland and Czechoslovakia among their peoples to make it unhealthy for them to associate with foreigners. For example, the expulsion by the Czechoslovak government of two non-diplomatic members of the air attaché's staff in Prague was apparently motivated by a desire to get rid of two foreigners who had built up over two years a small circle of Czech friends.

So far our diplomats have escaped the more drastic treatment which has been recently meted out to some other representatives of the western powers in the satellite countries, but there has been pressure on our locally-employed staff in Czechoslovakia. One Czech clerk at the Canadian legation in Prague failed to report for work one day. All that has been learned of him since then was that he had been "detained by the police" and that he was in the local prison where political offenders are usually held. Another Czech clerk was refused a permit to continue working at the legation.

The cumulative effect is, of course, to isolate the western diplomatic missions from contact with the peoples of the countries where they are stationed, and to restrict very considerably the normal functioning of a diplomatic mission.

CANADIAN TRADE OR CULTURAL AGENCIES IN CERTAIN EUROPEAN COUNTRIES

Mr. Adamson:

Are there any Canadian trade or cultural organizations operating in any of the following countries: (a) U.S.S.R.; (b) Hungary; (c) Bulgaria; (d) Albania; (e) Czechoslovakia; (f) Poland; (g) Yugoslavia?

Mr. Pearson: Canada maintains diplomatic missions in the U.S.S.R., Czechoslovakia, Poland and Yugoslavia. These missions have, among their other duties, the task of trying to develop trade and cultural relations in so far as this is possible in existing conditions with the countries where they are located. Canada does not maintain any missions in Hungary, Bulgaria and Albania.

PRAIRIE FARM REHABILITATION—SASKATCHEWAN AND MANITOBA—FLOOD PREVENTION AND RECLAMATION

Mr. Wright:

1. Have any surveys been made by P.F.R.A. along the Saskatchewan or Carrot rivers in northeastern Saskatchewan or northwestern Manitoba, with a view to preventing flooding or reclaiming flooded land in these areas?
2. If so, what reports or recommendations to the government were made, as a result of these surveys?
3. If not, will the government give consideration to having this work done?

Mr. McCubbin:

1. Yes, with a view to determining whether land can be reclaimed or flooding prevented.
2. Surveys not yet completed.
3. See answers to Nos. 1 and 2.

MERCHANT MARINE—SUBSIDIES—EMPLOYMENT OF NOVA SCOTIA CREW

Mr. Smith (Queens-Shelburne):

1. What are the qualifications for the granting of a subsidy for Canadian merchant marine vessels whose owners desire to continue to operate under the Canadian flag?

2. In view of the employment situation in Nova Scotia, will every consideration be given to Nova Scotia ships operating in the foreign trade with Nova Scotia crew members?

Mr. Chevrier:

1. The financial relief which it is proposed to grant the shipping industry is temporary and for one year only.

To qualify, ship owners must agree (a) to operate vessels for a period of one year; (b) to employ Canadian domiciled crews.

It is anticipated that some forty vessels will be assisted, and these will be selected on the basis of their usefulness to Canada in the event of an emergency. The employment of Canadian domiciled crews will ensure the maintenance in Canada of a nucleus of trained merchant seamen to man these and other ships which Canada may have at her disposal should a state of emergency arise.

2. Yes, every consideration. It must be borne in mind that the employment of seamen from any particular area will to a large extent depend upon the owners' and operators' desire to avail themselves of the assistance afforded by the government.

*INCREASES IN BASIC STEEL PRICES

Mr. MacInnis:

What increases were allowed in the price of basic steel from the establishment of price controls to date?

Mr. McIlraith: It is not possible to answer this question as asked. I understand the hon. member has been given the information he was really seeking, and is agreeable to dropping the question.

Mr. MacInnis: Yes, Mr. Speaker.

Mr. Speaker: Question dropped.

EMIGRATION FROM NEWFOUNDLAND TO UNITED STATES

Mr. Higgins:

How many Newfoundland residents have entered the United States to take up permanent residence since April 1, 1949?

Mr. Harris (Grey-Bruce): Information is not available, as statistics are not maintained of emigration from Canada.

CORN—IMPORTS FROM UNITED STATES

Mr. Coldwell:

1. How many bushels of American corn have been imported by Canada since January 1, 1949?

2. Has any of this corn been stored in elevator space allotted for the purpose by the Canadian wheat board?

3. Who owns this corn?

4. At what prices was this corn bought from the United States?

Mr. McIlraith:

1. Imports of corn from the United States entered for consumption into Canada, calendar year, 1949, 8,436,319 bushels.

2. Yes. Imports of American corn for consumption in Canada are unrestricted. However, the Canadian wheat board maintains a liaison with the terminals to ensure that American grain, including corn received into Canadian terminals for storage and furtherance for export, does not unduly interfere with the movement of Canadian grain. The use of Canadian facilities for the handling of American grain including corn is encouraged, provided that the movement of Canadian grain is not prejudiced.

3. Owned by private companies and individuals.

4. Not known, but the total declared value of the imports listed in answer No. 1 is $12,282,307.

YUKON COAL PRODUCTION—FEDERAL ASSISTANCE

Mr. Green:

1. What amount was provided by the government, and by what department of government, for the development of coal in Yukon during the past five years?

2. To what corporation or person was such amount paid?

3. On what terms was such amount provided?

4. What amount of said advance has been returned to the government?

5. What tonnage of coal has been produced from the operation so assisted?

6. What tonnage of coal is still available to be mined at said mine?

Mr. McCann:

1. (a) $294,124.60; (b) Department of Mines and Resources (Department of Mines and Technical Surveys in 1950).

2. Yukon Coal Company Limited.

3. Under terms of an agreement dated July 10, 1947, between His Majesty and Yukon Coal Company Limited, which provides for loan advances up to a maximum of $300,000 repayable with interest at 3½ per cent per annum at the rate of $2 per ton on all coal sold. Loan funds to be used for development and operation of the Tantalus Butte coal mine, near Carmacks, Yukon.

4. $15,788.24.

5. 4,303 tons sold.

6. Recoverable reserves of coal have been estimated by government geologists at approximately 7,500,000 tons. Developed tonnage not estimated.

Questions

WHEAT BOARD—INSPECTORS IN ALBERTA, SASKATCHEWAN AND MANITOBA—R. MAHONEY

Mr. Quelch:

1. How many inspectors are employed by the Canadian wheat board in Alberta, Saskatchewan and Manitoba?
2. Is a Mr. R. Mahoney, formerly manager of the Manitoba wheat pool, still employed by the wheat board? If so, in what capacity?

Mr. McIlraith:

1. 11.

2. No.

YACHT "SANS PEUR"—POST-WAR DISPOSITION OF FURNISHINGS

Mr. Herridge:

1. Was the Duke of Sutherland's yacht *Sans Peur* requisitioned by the Canadian government for service in world war II?
2. If so, was this yacht delivered to Canadian government completely furnished with silverware, crockery, linen, rugs, and furniture?
3. Were these furnishings returned to the owner when the vessel was returned?
4. If not, what disposition was made of these furnishings?
5. Was compensation paid to the owner for loss or damage, if any, of these furnishings?

Mr. Blanchette:

1. No. The *Sans Peur* was chartered from the British ministry of war transport, from whom the ship was subsequently purchased by this department.

2. No. Only crockery and furniture used by the ship's officers and crew were taken over with the ship.

3. No. See answers to Nos. 1 and 2.

4. Crockery and furniture taken over with the ship were used in the ship or elsewhere in the naval service.

5. Answered by No. 1.

U.S.S.R. EMBASSY IN CANADA—PRIVILEGES AND IMMUNITIES

Mr. Adamson:

1. How many persons enjoying diplomatic privileges are accredited to the embassy of the U.S.S.R. in Canada?
2. What privileges and immunities do they enjoy?
3. What restrictions, if any, are placed on their movements in Canada?
4. What are their names?

Mr. Pearson:

1. Eight.

2. The immunities and privileges prescribed by international law, namely: immunity of domicile and from criminal and civil jurisdiction; general exemption from direct and personal taxation, where such exemption is administratively feasible.

3. They are not, of course, permitted to visit classified establishments and areas such as Chalk River. Moreover, since our service attachés in the Soviet union are not invited to certain soviet military functions, we have reciprocated by placing similar restrictions on soviet service attachés in Canada.

4. Mr. Mikhail V. Degtiar, counsellor and chargé d'affaires ad interim; Mr. Alexei Sokolov, first secretary; Lt.-Col. Grigori Volochko, assistant military attaché; Mr. V. P. Bourdine, second secretary; Mr. Dmitri Moussine, second secretary; Capt. Ivan V. Poupychev, assistant military attaché; Mr. Pavel Komine, attaché; Mr. Valentin Vorobiev, attaché.

FOREIGN LEGATIONS IN CANADA—PRIVILEGES AND IMMUNITIES

Mr. Adamson:

1. How many persons enjoying diplomatic privileges are accredited to the legations of each of the following countries (a) Hungary; (b) Bulgaria; (c) Roumania; (d) Albania; (e) Czechoslovakia; (f) Poland; (g) Yugoslavia?
2. What immunities and privileges do they enjoy?
3. What restrictions, if any, are placed on their movements in Canada?

Mr. Pearson:

1. (a) Hungary, nil; (b) Bulgaria, nil; (c) Roumania, nil; (d) Albania, nil; (e) Czechoslovakia, 2; (f) Poland, 4; (g) Yugoslavia, 5.

2. The immunities and privileges prescribed by international law, namely: immunity of domicile and from criminal and civil jurisdiction; general exemption from direct and personal taxation, where such exemption is administratively feasible.

3. Entrance to classified establishments and areas is by invitation only and the Canadian authorities naturally exercise discretion in issuing such invitations.

TRADE OR CULTURAL AGENCIES OF FOREIGN COUNTRIES IN CANADA

Mr. Adamson:

1. What known trade, cultural or any other agencies of the following countries are currently operating in Canada (a) U.S.S.R.; (b) Hungary; (c) Bulgaria; (d) Albania; (e) Roumania; (f) Czechoslovakia; (g) Poland; (h) Yugoslavia?
2. What is the stated function of each agency, and to what country is it accredited?
3. How many personnel does each employ?

Mr. Pearson:

1. The U.S.S.R., Czechoslovakia, Poland and Yugoslavia maintain diplomatic missions in Canada. The normal activities of such missions include the development of trade and cultural relations with the country to which they are accredited. Hungary, Bulgaria, Albania and Roumania do not maintain official establishments of any kind in Canada. Poland maintains consulates in Montreal and Winnipeg. Czechoslovakia has a consulate general

in Montreal. Their activities include trade questions and normal consular affairs. In addition, the official Soviet government press agency, Tass, maintains a representative in Ottawa.

2. The function of the diplomatic missions is that of facilitating the conduct of relations between their countries and Canada. The consulates are responsible for the carrying out of normal consular duties, which include trade questions and looking after the legitimate interests of the nationals of these countries in Canada.

3. The diplomatic staff of the U.S.S.R. embassy numbers 8, and the non-diplomatic staff 15. The diplomatic staff of the Polish legation numbers 3 and the non-diplomatic staff 4. The consular staff of Poland numbers 2, and the clerical staff employed in the Polish consulates at Montreal and Winnipeg numbers 3. The diplomatic staff of the Czechoslovak legation numbers 2, and the non-diplomatic staff 3. The consular staff of Czechoslovakia is 1. The diplomatic staff of the Yugoslav legation numbers 5, and the non-diplomatic staff, 5.

FOREIGN CONSULAR OFFICIALS IN CANADA—PRIVILEGES AND IMMUNITIES

Mr. Adamson:

1. How many consular officials are accredited to each of the following countries (a) U.S.S.R.; (b) Hungary; (c) Bulgaria; (d) Albania; (e) Roumania; (f) Czechoslovakia; (g) Poland; (h) Yugoslavia?
2. What privileges and immunities do they enjoy?
3. What restrictions, if any, are placed on their movements in Canada?

Mr. Pearson:

1. In Canada: (a) U.S.S.R., none; (b) Hungary, none; (c) Bulgaria, none; (d) Albania, none; (e) Roumania, none; (f) Czechoslovakia, 1; (g) Poland, 2; (h) Yugoslavia, none.

2. The privileges and immunities granted in Canada to consular officers of career in accordance with international practice, namely: inviolability of official premises, archives and communications; immunity in the performance of their official duties; exemption from customs duty; exemption from certain taxes such as income tax and succession duties; for consuls general limited excise exemptions.

3. None.

COMBINES INVESTIGATION ACT—FLOUR MILLING INDUSTRY

Mr. Diefenbaker:

1. Was a submission made to counsel following delivery to the Minister of Justice on the McGregor report on the milling industry for an opinion to ascertain whether the recommendations were such that proceedings either under the combines act or the Criminal Code should be taken?
2. If so, to whom was the submission made and on what date? If not, why was such a course not followed?
3. Was a legal opinion secured from the law officers of the crown or other counsel on the question as to whether the limitation of actions provided for in section 1141 of the Criminal Code applied to prosecutions under the Combines Act?

Mr. Garson:

1. Yes.

2. On July 11, 1949, to J. J. Kelly, K.C., Winnipeg, subsequently appointed to the Manitoba Court of King's Bench. On September 20, 1949, to T. N. Phelan, K.C., Toronto.

3. Yes.

SURVEY OF INVESTMENT INTENTIONS

Mr. Knowles:

1. By whom was the survey of investment intentions for 1950, referred to by the Prime Minister on February 20, 1950, made?
2. When was this survey made, on what date were the results thereof reported, and to whom?
3. Are the detailed results of this survey available to members of parliament? If so, how may they be obtained?

Mr. McIlraith:

1. Economic research and development branch, Department of Trade and Commerce, in conjunction with the dominion bureau of statistics.

2. During the months November and December, 1949, and January and February, 1950. Preliminary results were reported to the Acting Minister of Trade and Commerce, and were made available in the supplement to the February issue of the *Canadian Statistical Review* on February 20, 1950.

3. See answer to No. 2. Final and detailed results will be included in "Private and Public Investment, Outlook 1950", to be tabled in parliament as soon as the document is available.

MOTOR VESSEL "ESKIMO"—QUESTION AS TO SUBSIDY

Mr. Higgins:

Has a subsidy been promised to either the provincial government of Prince Edward Island or a provincial government company of Prince Edward Island for the operation of the motor vessel *Eskimo*, in trade between Prince Edward Island and Newfoundland?

Mr. Chevrier: No.

PRAIRIE FARM ASSISTANCE—PAYMENTS TO HUSBAND AND WIFE

Mr. Argue:

1. Can a husband and wife receive separate payments under the Prairie Farm Assistance Act for land operated by each?
2. If so, what are the regulations governing such payments, and what other factors, if any, are considered before payment is made?

Questions

Mr. McCubbin:

1. Yes.

2. A wife is eligible for separate payment when evidence is supplied that she owns and actually operates herself a farm apart and separate from her husband; for example, a farm inherited from a relative, a former husband, or purchased with her own funds. Separate payment is not made to a wife on land rented by her when living with her husband who owns and/or rents a large acreage, and who does all the farm work.

BUTTER AND OLEOMARGARINE

Mr. Catherwood:

1. What was the total consumption of butter in Canada during each of the years 1948 and 1949?
2. What was the total consumption of margarine in Canada during the year 1949?
3. What percentage of the oils and other ingredients contained in margarine is imported?

Mr. McIlraith:

1. 370,153,000 pounds in 1948, and 315,338,000 pounds in 1949.

2. 71,992,000 pounds.

3. Total utilization of oils and fats in margarine production during 1949 was 60,074,339 pounds of which 44,814,521 pounds, or about 75 per cent, consisted of cottonseed, peanut, coconut and palm kernel oils. These would be imported either as raw product, crude or refined oils. It is not known what part of the remainder, consisting of soybean oil, sunflower oil, marine oils, oleo oils and other fats, was imported materials.

NATIONAL DEFENCE—SUMMER TRAINING CAMPS

Mr. Aylesworth:

1. How many summer training camps were operated in 1949 by the Department of National Defence, and where were they located?
2. To what persons or firms were the food and catering contracts awarded in the case of each camp, and what was the amount paid to each?
3. How many summer training camps does the department propose to operate in 1950?
4. Have any food and catering contracts been yet awarded for the 1950 camps, and if so, to whom, for what amounts, and for what camps?

Mr. Blanchette:

1 and 2. Location—Catering by

Navy, 5—Mahone Bay, N.S., arranged by Navy League of Canada; Choisy, P.Q., arranged by Navy League of Canada; Midland, Ont., arranged by Navy League of Canada; Kenora, Ont., arranged by Navy League of Canada; Gambier island, B.C., arranged by Navy League of Canada.

Location—Catering by—Amount paid

Army, 16—Vernon, B.C., Pederson Catering Co., $17,500.39; Esquimalt, B.C., messing provided through service sources; Chilliwack, B.C., messing provided through service sources; Wainwright, B.C., Sleen Catering Company, $14,156.02; Banff, Alta., messing provided through service sources; Dundurn, Sask., R. Smith and Company, $21,700.55; Shilo, Man., Hubbert's Food Services, $25,395.89; Clear Lake, Man., Hubbert's Food Services, $8,329.02; Petawawa, Ont., Hubbert's Food Services, $55,942.94; Ipperwash, Ont., Dominion Catering Co., $34,430.77; Picton, Ont., Hubbert's Food Services, $27,084.81; Barriefield, Ont., messing provided through service sources; Camp Borden, Ont., The McKeefery Catering Co., $37,165.12; Valcartier, P.Q., Hubbert's Food Services, $47,194.88; Utopia, N.B., Dominion Catering Co., $13,071.99; Aldershot, N.S., Dominion Catering Co., $15,267.42.

Air Force, 6—Aylmer, Ont., messing provided through service sources; Gimli, Man., messing provided through service sources; Summerside, P.E.I., messing provided through service sources; Trenton, Ont., messing provided through service sources; Abbotsford, B.C., messing provided through service sources; Deseronto, Ont., messing provided through service sources.

3. Navy, 5; army, 15; air force, 5; total, 25.

4. No.

*PATRONAGE

Mr. Knowles:

Who administers, handles, or has charge of, the patronage, on behalf of the federal government, in or for each of the following areas: Montreal and district, Toronto and district, Winnipeg and district, Vancouver and district?

Mr. St. Laurent: This question is similar to questions asked by the same hon. member on March 1 and March 16. The only answer must be one similar to the answers given to those questions, which will be found on pages 352 and 842 of *Hansard*.

Mr. Knowles: May I point out to the Prime Minister —

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Knowles: That does not save time, does it, Mr. Speaker? May I point out to the Prime Minister that notice of this question was given, and can be found in *Votes and Proceedings*, prior to the time the last question was answered.

Mr. St. Laurent: That is correct.

FUR PELTS

Mr. Lennard:

1. Of the fur pelts imported into Canada from the United States during the year 1949, was Russia the country of origin of any of these pelts?
2. If so, in what varieties, and what quantities of each variety?

Mr. McIlraith: Information not available.

INCOME TAX—FARMERS—REQUESTS TO FILE RETURNS

Mr. Thatcher:

How many farmers were specifically requested to file income tax returns by the Department of National Revenue in (a) Saskatchewan; (b) Manitoba; (c) Alberta; (d) Quebec, during each of the years 1946 and 1947?

Mr. McCann: The tax rolls in district income tax offices are not maintained in segments as to occupations or classes of business. Accordingly, no statistics are available to show the occupation of persons on tax rolls who appear to be delinquents and are requested to file income tax returns.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN NATIONAL RAILWAYS—REDUCTION IN PASSENGER TRAIN SERVICES

Mr. Isnor:

1. How many Canadian National Railways trains were discontinued in January, 1950, and (a) what are their names or numbers; (b) region in which they operated; (c) points of beginning and ending of runs?

2. What was the reduction in manpower (employees) of the Canadian National Railways, by regions, during the month of January, 1950?

3. What was the cause of reduction?

Mr. Chevrier: Return tabled.

BUTTER IN STORAGE—SALES

Mr. Aylesworth:

1. How many pounds of butter are in storage in Canada?

2. How many pounds of this butter were purchased by the government, and at what price per pound?

3. How many pounds of butter have been sold by the government since the 1st of January, 1950?

4. To whom was the butter sold, and at what price per pound?

5. Has any of the butter been sold because it became rancid?

Mr. Bradley: Return tabled.

WINCHESTER, ONT., POST OFFICE BUILDING

Mr. Casselman:

1. Did the government purchase a building for a post office at Winchester, Ontario?

2. If so, what was the purchase price of said buildings, and when was the transaction completed?

3. Since that date, what repairs, if any, have been made on said building?

4. Was the post office formerly operated from the building purchased?

5. If so, for what period of time?

6. Is the post office at present being operated in the building purchased?

7. If not, where is it being operated?

8. What repairs, if any, have been made on the building to which the post office has been moved?

9. What expenses are being incurred in operating the post office in its present location?

Mr. Bradley: Return tabled.

BEEF CATTLE, MEAT AND MEAT PRODUCTS—EXPORTS TO U.S.

Mr. Argue:

1. What quantity and value of beef cattle was shipped to the United States, by months, since January 1, 1947?

2. What was the value and quantity, by months, of other meat and meat products shipped to the United States since January 1, 1947?

Mr. McIlraith: Return tabled.

NAVAL SERVICE—DARTMOUTH, N.S., BARRACKS

Mr. Isnor:

1. Have plans been prepared in connection with fireproof barracks for naval personnel, Dartmouth?

2. If so, under whose supervision have plans been prepared?

3. What are the names and addresses of firms making plans and writing specifications, and were any other firms consulted in reference to this project?

4. What is the size of proposed barracks, and how many personnel will barracks accommodate?

5. When will tenders be called?

6. Will the calling of tenders and the awarding of same be handled by the Canadian Commercial Corporation?

Mr. Bradley: Return tabled.

COLD STORAGE ACT—CONTRACTS AND SUBSIDIES

Mr. Casselman:

1. How many contracts have been entered into in pursuance of the Cold Storage Act, in (a) the calendar year 1949; (b) the calendar year 1950, to date?

2. What amounts were (a) paid; (b) contracted to be paid in each of the said years?

3. In the case of each cold storage warehouse in respect of which a contract to pay a subsidy was entered into each of the said years: (a) what is its name; (b) what is its location; (c) what is the volume of storage space; (d) what is the amount of the subsidy contracted to be paid; (e) what amount of subsidy has been paid to date; (f) what amount of subsidy remains yet to be paid and on what dates; (g) what is the total amount of provincial subsidy paid or contracted to be paid?

4. What applications under the act are now in the hands of the department awaiting decision, and what is the nature and location of the project and the amount applied for in each case?

5. (a) What principles are followed in determining whether and to what extent subsidies should be granted under the act?

(b) What steps are taken to prevent duplication of warehouse facilities?

Mr. McCubbin: Return tabled.

WOOL

Mr. Hatfield:

1. What quantity of wool was on hand in Canada in the years 1945 to 1949 inclusive?

2. What quantity of wool was exported from Canada, and to what countries, from 1945 to 1949 inclusive?

3. What quantity of wool was imported into Canada from 1945 to 1949, and from what countries?

Mr. McIlraith: Return tabled.

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN—TEMPORARY FIELD MEN

Mr. Studer:

1. What are the names and addresses of the temporary field men employed by P.F.A.A. in Saskatchewan, during the year 1949-50?
2. What amount was paid to each of them for (a) salary or wages; (b) expenses, during the same period?
3. How many of these employees are returned soldiers?

Mr. McCubbin: Return tabled.

ITALIAN BONDS HELD BY CANADIANS

Mr. Hansell:

1. What responsibility does the government assume in respect to Italian bonds bought and held by Canadians previous to hostilities?
2. What is the present situation in respect to Italian bonds held by Canadians?
3. Does the custodian of enemy property seek to obtain settlement of these bonds which have already become due?

Mr. Bradley: Return tabled.

BRIDGES BETWEEN CANADA AND UNITED STATES

Mr. Benidickson:

1. Has the Canadian government made any financial contributions towards the construction costs of bridges between Canada and the United States of America?
2. If so (a) where are these bridges located; (b) when were they constructed; (c) what amounts of money were contributed to each by the Canadian government?

GOLD—RESERVE AND EXPORTS

Mr. Boisvert:

1. What was the gold reserve of the Bank of Canada as at December 31, 1949?
2. What amount of gold was exported during 1949, and what countries received gold from Canada?
3. What amount of gold was received by each country?
4. What amount of gold has been sold to private persons during 1948 under section 25 of chapter 43 of the statutes of 1934?

BOARD OF TRANSPORT COMMISSIONERS—FREIGHT RATE EXPERTS

Mr. Hatfield:

1. What are the names and ages of each of the transport commissioners?
2. When was each appointed?
3. What was their business or profession before appointment to the board of transport commissioners?
4. How many freight rate experts are employed by the board of transport commissioners?
5. What are their names and what was their former employment?

Mr. Chevrier: Return tabled.

[Mr. McIlraith.]

PROPRIETARY OR PATENT MEDICINE ACT AND FOOD AND DRUGS ACT

Mr. MacNaught:

What is the per capita cost in Canada of the protection given by the Proprietary or Patent Medicine Act and the Food and Drugs Act?

Mr. Fournier (Hull): Return tabled.

CRUDE OIL

Mr. Murphy:

1. What quantity of crude oil was imported into Canada, and from which countries, during the years 1947, 1948 and 1949?
2. At what places of entry into Canada was same imported?
3. Is there any charge or tax imposed on the importation of such oil and if so, how much?
4. Did Canada export any oil during the years 1947, 1948 and 1949, and if so, to what countries?
5. Is there any duty, tax or other charge on crude oil exported to the U.S.A.? If so, how much, and when was same imposed?

TRACADIE, N.B., MILITARY CAMP

Mr. Brooks:

1. What was the cost of operation of the military camp at Tracadie, New Brunswick, during the past winter, for (a) army pay; (b) supplies?
2. Were tenders called for providing supplies? If so (a) what was the amount of each tender; (b) who received the contract?
3. If not, how are the supplies purchased, and from whom?

LABORATORY OF HYGIENE

Mr. Breithaupt:

What are the functions of the laboratory of hygiene?

Mr. Fournier (Hull): Return tabled.

HOG GRADERS

Mr. Bryce:

1. How many hog graders are employed by the Department of Agriculture?
2. What are the different positions in this service?
3. At what places are they employed?
4. How often are they changed to different plants?
5. How many have served in one plant (a) one year; (b) two years; (c) three years; (d) over three years?

PAYMENTS FOR OLD AGE PENSIONS, FAMILY ALLOWANCES, ETC.

Mr. Noseworthy:

1. What is the amount paid out by the federal government for old age pensions during each of the months January to June inclusive, 1949?
2. What is the amount paid out by the federal government for old age pensions during each of the six months January to June inclusive, in 1945, 1946, 1947 and 1948?
3. What is the amount paid out by the federal government for old age pensions in each of the six months July to December inclusive, in each year, 1945, 1946, 1947, 1948 and 1949?
4. What is the amount paid out in pensions to the blind during each of the six months January to June inclusive, 1949?

5. What is the amount paid out in pensions to the blind for each of the six months January to June inclusive, in each of the years 1945, 1946, 1947 and 1948?

6. What is the amount paid out in pensions to the blind for each of the six months July to December in each of the years 1945, 1946, 1947, 1948 and 1949?

7. What is the amount paid out for family allowances in each of the months January to June, inclusive, 1949?

8. What is the amount paid out for family allowances during each of the months January to June inclusive, for the years 1945, 1946, 1947 and 1948?

9. What is the amount paid out for family allowances in each of the months July to December in each of the years 1945, 1946, 1947, 1948 and 1949?

10. What is the amount of any other direct payments made to Canadian citizens by the Department of National Health and Welfare during each of the months January to June inclusive, 1949, for reasons other than family allowances, old age pensions and pensions for the blind?

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN

Mr. Wright:

1. What sections were ruled ineligible for payment under P.F.A.A. in 1949 in township 36, range 7, west of the 3rd meridian?

2. What was the average yield of these sections?

3. How many sections, if any, had less than ten bushels per acre?

4. Under what section of the Prairie Farm Assistance Act were these sections declared ineligible?

5. Under what section of the act was the remainder of the township declared eligible?

6. What townships or parts of townships adjoining township 36, range 7, west of the 3rd meridian, were eligible for P.F.A.A. payments?

PRAIRIE FARM REHABILITATION—SASKATCHEWAN

Mr. Argue:

1. What are the names and addresses of all persons employed under the Prairie Farm Rehabilitation Act in Saskatchewan during the year 1949?

2. What sum of money was paid to each person as (a) salary or wages; (b) sustenance; (c) mileage; (d) other allowances, and what was the nature of the work performed by each?

3. How many persons were employed (a) part time; (b) full time in 1949?

4. What was the total sum paid to all (a) part time employees; (b) full time employees?

5. At what rate are (a) salaries or wages; (b) sustenance; (c) mileage; (d) other allowances, paid to common labour, foremen, all other employees under this act?

MOTIONS FOR PAPERS

UNEMPLOYMENT—INSTRUCTIONS TO OFFICES

Mr. Knowles:

For a copy of all directives and instructions issued to unemployment insurance offices since January 1, 1949, having to do with the handling of unemployment, including ways and means of dealing with applications for unemployment insurance benefits; advice as to the meaning of the words "suitable employment"; any special directives or instructions with reference to displaced persons, and any other related matters.

Mr. Cote (Verdun-La Salle): Before the question is put, Mr. Speaker, I wish to remind the house that this motion, in principle, would be objectionable as being against the rules of the house, since it refers to the production of departmental papers. But upon reading it, hon. members will realize that it refers to instructions and directives from the unemployment insurance commission to the field staff of the commission, which instructions would fall in the category of public papers. I therefore wish to waive any objection and to allow the motion to pass, now that this explanation has been made.

Mr. Knowles: Thank you.

UNEMPLOYMENT—REPORTS TO UNEMPLOYMENT INSURANCE COMMISSION

Mr. Knowles:

For a copy of all reports made to the unemployment insurance commission and/or to the Minister or deputy minister of Labour, dated since September 1, 1949, having to do with the unemployment situation.

Mr. Cote (Verdun-La Salle): I should have liked to adopt the same attitude with regard to this motion, Mr. Speaker, but unfortunately it is impossible to waive any objection here. These are departmental papers of a strictly privileged character, and should be treated as such. On that ground I respectfully submit that this motion is out of order.

Mr. Knowles: May I ask the parliamentary assistant a question? Would the motion be acceptable to the government if the words "and/or to the Minister or deputy minister of Labour" were deleted? That would leave the motion asking simply for reports made to the unemployment insurance commission itself.

Mr. Cote (Verdun-La Salle): If I may, Mr. Speaker, I should like to request the privilege of giving an analysis of what is involved in this request for an order of the house for the production of these papers.

Reports having to do with the unemployment situation coming to the Minister or deputy minister of Labour which are prepared and made from time to time fall into the following categories:

1. Reports by officers or committees of the Department of Labour for the purpose of advising the minister on these matters: They are in the same category as other memoranda prepared within the department for the use of the minister, and are therefore privileged.

2. Statistical data on local employment office operations relating to unplaced applicants, benefit claims filed, referrals to employment, etc.: They are forwarded at regular intervals from the employment service offices in the field for use by the economics and research branch of the

Department of Labour and the bureau of statistics in the compilation of statistical returns for the information and advice of the Minister of Labour and other departments of the government. Reports based on these returns are issued from time to time by the minister, and are available for the period of time mentioned in the question and will be tabled if desired; but the local office returns upon which these reports are based are, it is considered, privileged in the same manner and for the same reasons as those referred to in category 1.

3. Employer reports on payroll turnover and employment forecasts sent in by employers for use of the economics and research branch and the bureau of statistics: These are used in the preparation of employment statistics and forecasts and are sent in by employers for confidential use for this purpose. In view of the basis upon which they are forwarded for use, the individual reports must be regarded as privileged documents and not subject to production.

4. Reports other than statistical reports made by officers of the employment service to the unemployment insurance commission which may come forward from time to time in the operations of the commission for the information of the commission and for use in reports by the commission to the Minister of Labour: While the unemployment insurance commission is a corporate entity, it will be noted that section 88 (1) of the Unemployment Insurance Act provides as follows:

> The commission shall organize and maintain an employment service for Canada and in respect of that service shall be responsible to the minister.

That is, to the Minister of Labour. Consequently it is clear that the commission in carrying on its employment service operations is doing so as a department of government directly responsible to the Minister of Labour. The reports coming in from employment offices on employment conditions to the commission are designed for, and are utilized in, the preparation of information for the use of the Minister of Labour, and are in the same category as other memoranda prepared in the Department of Labour for the minister's use and information.

For all these reasons, Mr. Speaker, I submit that the motion is out of order.

Mr. Knowles: Without prejudice to my right to put the motion on the order paper again in different form, I am prepared to withdraw it at this time.

Mr. Speaker: Dropped.

[Mr. Cote (Verdun-LaSalle).]

CROWN PROPERTIES—PAYMENTS TO MUNICIPALITIES IN LIEU OF TAXES

Mr. Knowles:

For a copy of all correspondence, including briefs, and replies thereto, in the possession of the Minister of Finance, dated since January 1, 1949, with reference to the matter of payments to municipalities in lieu of taxes on federal crown properties.

LABOUR CONDITIONS—FEDERAL GOVERNMENT CONTRACTS

Mr. Knowles:

For a copy of all orders in council, or a consolidation thereof, dealing with the inclusion of fair wage provisions and any other requirements respecting labour conditions in contracts let by the federal government or any department or branch thereof.

Mr. Cote (Verdun-La Salle): Return tabled.

GANDER, NFLD., AIRPORT

Mr. Browne (St. John's West):

For a copy of all correspondence, documents and other papers relating to the agreement recently made between the government of Canada and the government of the United States, or any aviation companies of the United States, for the use of Gander airport.

Mr. Pearson: Mr. Speaker, there are certain difficulties in the way of the production of correspondence between two governments arising out of negotiations for a treaty or agreement. Therefore, Mr. Speaker, I would ask that this motion be allowed to stand so that I can discuss it with the hon. member for St. John's West.

Motion stands.

ELBOURNE, SASK., POSTMASTERSHIP

Mr. Diefenbaker:

For a copy of all correspondence, directives and instructions, from October 1, 1948, to date, in connection with the removal or change of postmaster at Elbourne, Saskatchewan.

VETERANS—SETTLEMENT WITH ALBERTA IN SPECIAL AREAS

Mr. Quelch:

For a copy of the agreement signed between the dominion and the province of Alberta, dealing specifically with the settlement of veterans in the special areas.

Mr. Gregg: I am willing that this motion be passed, subject to two reservations: first, as soon as we are sure that all steps have been taken by both parties for the approval of the agreement, and, second, as soon as we are sure that the province of Alberta has no objection to the publication.

BUSINESS OF THE HOUSE

CONSENT FOR PROCEEDING WITH SUPPLY PRIOR TO PRIVATE MEMBERS' MOTIONS

On the order for motions:

Hon. Douglas Abbott (Minister of Finance): Yesterday evening when we were considering the supplementary estimates in committee of supply I explained that there was some urgency in having passed at a fairly early day the supply bill based on these estimates. I also explained that it was not possible for me to be in the house tomorrow. The committee indicated at that time that it would probably be prepared to give unanimous consent to proceeding with that business today, before private members' notices of motions were taken up. I would appreciate it if the house would give that consent.

Some hon. Members: Agreed.

Mr. Drew: I certainly support the suggestion that has been made that these estimates be dealt with, but since it is a matter of procedure by consent I suggest that permission be granted for the asking of questions from the floor of the house as we do when the orders of the day are called.

Mr. Abbott: That is quite all right.

Mr. Speaker: Would it be agreeable to the house if I called orders of the day, and afterwards put the motion to go into committee of supply?

Some hon. Members: Agreed.

Mr. Speaker: Orders of the day.

ORGANIZATION OF WORK OF COMMITTEES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to take this opportunity to ask the Prime Minister to take such steps as may be necessary to the end that the committees which have been set up be called together for organization purposes well in advance of the house rising for the Easter recess, so that the necessary preliminary steps can be taken to plan the work of the committees before hon. members leave for home. While I recognize it is not directly the responsibility of the Prime Minister, I feel sure that a suggestion from him in that regard will be followed by those who are directly responsible.

Right Hon. L. S. St. Laurent (Prime Minister): I shall be very glad to have the co-operation of the leader of the official opposition and also that of the leaders of the other groups. All the standing committees have been organized. It is not a matter of organizing the special committees, but of getting the house to establish them. We shall try to bring that about just as soon as an opportunity can be found to do so. As soon as they are set up I will undertake to see that measures are taken to have them organized at the earliest possible moment.

Mr. Drew: I wish to explain, Mr. Speaker, that when I used the term "organized" I meant actually organized for the carrying on of their work. I know that so far as the formal steps are concerned, these have been taken. It is now a matter of proceeding to the actual organization of the work. I am particularly concerned with the setting up of the public accounts committee at the earliest possible moment.

ELECTRIC POWER

QUESTION AS TO ST. MARY'S TIDAL PROJECT, BAY OF FUNDY

On the orders of the day:

Mr. E. W. George (Westmorland): I should like to direct a question to the Minister of Resources and Development. Has the minister given any consideration to implementing the study of the St. Mary's tidal project at the head of the bay of Fundy, as suggested by me on March 13 in the debate on the address in reply to the speech from the throne?

Hon. Robert H. Winters (Minister of Resources and Development): I thank the hon. member for giving me notice of his question. I read his speech with keen interest, and I am aware of the Acres and Melanson reports. I have requested the engineers of the department to conduct an investigation with a view to conducting an on-site survey, if this appears desirable.

Mr. Cruickshank: And the pipe line too?

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to direct to the Prime Minister the question that I put in the committee of supply last evening when the Prime Minister was not present. It had to do with item 594 of the further supplementary estimates. I asked if the government had any intimation as to when the royal commission on the arts, letters and sciences expects to complete its sittings and present its report.

Right Hon. L. S. St. Laurent (Prime Minister): I have no precise information. My

understanding is that the sittings are to be completed at a relatively early day. I was told that substantial progress has been made in draft form on a large part of the report, and that it is hoped that the report will be filed with the government in time to have it printed before there is another session of parliament.

Mr. Fleming: I take it that it is not likely that a report will be available before the close of the present session?

Mr. St. Laurent: No; it is not likely that the commissioners will have completed their consideration of the draft before this session ends—at least it is my hope that this session will end before the autumn, and my intimation was that the commission hoped to have a report ready for us early in the autumn so that it could be printed before the opening of another session of parliament.

NEWFOUNDLAND

BOOKLET PREPARED BY EXTERNAL AFFAIRS DEPARTMENT IN COLLABORATION WITH BUREAU OF STATISTICS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to take the opportunity to say a few words about a booklet that has been placed in the hands of hon. members within the past few days, giving a description of the new province of Newfoundland. I express my warmest congratulations on the workmanship and the content of this booklet, which has been produced both for general circulation to the public and for the information of hon. members. May I at the same time say that this is the type of publication that helps greatly to create a wider understanding of our own country. May I offer the suggestion that it would be helpful if a similar booklet were issued, for general circulation in the same way, describing the activities of each of the other provinces as well.

Mr. Lesage: What about provincial autonomy?

An hon. Member: Smart aleck!

Mr. Rowe: You could learn something from that.

Mr. Browne (St. John's West): Without wishing to take anything away from the compliments which have been offered to those responsible for the preparation of this pleasant and interesting booklet, I should like to point out that it contains some serious errors. When the next edition comes out I hope that they will be corrected. I have already drawn the attention of officials of the Department of External Affairs to one in particular, which has to do with the decision in regard to the Labrador boundary between Quebec and Newfoundland at the time that Newfoundland was a dominion. It states that the result of the decision was that Newfoundland gained Labrador, an area of 110 square miles. It should be 110,000 square miles.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

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

DEPARTMENT OF TRADE AND COMMERCE

Atomic energy control board—

614. Chalk river project—capital and operating expenses—further amount required, $200,000.

Mr. Coldwell: Last evening the Minister of Trade and Commerce was asked if the committee on atomic energy could be reconstituted this year, and his answer was a categorical no. I was interested in hearing at the last meeting of that committee last session the suggestion that this year we might have a committee on the work of the national research council, a body which has done an excellent job, and whose activities are not well known either to the house or to the country. I believe it would be worth while, for the education of both this house and the public, to set up a committee this year on the national research council. I hope that the minister will consider this suggestion.

Mr. Howe: I think my hon. friend is not correct in saying that I gave a categorical no last night. I said I would give consideration to the proposal. I was then asked if I would promise a committee on atomic energy, and I said no. There are objections to having a committee on atomic energy this year. I need not go into them.

Personally I should be glad to see a committee review the work of the national research council. I think hon. members would find its work exceedingly interesting. Since it is only three or four months since a committee examined the atomic energy project, I suggest that a committee this year could consistently examine the work of the national research council. It would give the committee a more comprehensive view of Canada's activities in the field of research. I shall be glad to consult my colleagues and, if they have no objection, to arrange for the formation of a committee to examine into the national research council.

Mr. Low: I should like to say a word on this. I was a member of the committee which

was established last year, and I believe it did excellent work. Naturally, a corollary to the work of the atomic energy committee would be a committee to examine into the national research council. I appreciate very much the minister's willingness to make that recommendation.

Item agreed to.

The Chairman: Item 615.

Mr. Green: Before we go on to item 615, I wonder if I might ask a question in connection with item 609. The minister was not in the chamber when the item was before the committee last night. I understand this is the final vote for the Fraser valley diking board. It will not appear in the estimates again.

Mr. Howe: That is right.

Mr. Green: My information is that the board have done fine work. I believe they have completed it at less than the estimated cost, and in a shorter time than expected.

I would ask the minister, however, what has happened to the dominion-provincial Fraser river basin board. That is a board which was set up to investigate the whole question of flood control in the Fraser river basin, and also the matter of power development. Can the minister tell us what progress has been made with the work of that particular board?

Mr. Howe: The Fraser river diking board reports to the Minister of Trade and Commerce, but the board mentioned by the hon. member reports to the Minister of Public Works. I am afraid I cannot give any information on the work of that board.

Mr. Fournier (Hull): I recall having received a preliminary report from this board, but I did not expect to be questioned with respect to it. However, if the hon. member wishes, I shall try to have a copy of the report sent to him as soon as possible.

Mr. Green: Would there be any objection to tabling it?

Mr. Fournier (Hull): I would like to study the report myself before I can give that assurance.

Mr. Fulton: I think the minister tabled the first report at my request.

Mr. Fournier (Hull): I believe last year a report was tabled, yes. I shall consult my colleagues, and if there is no objection I can have it tabled, or have a copy sent to the hon. member.

DEPARTMENT OF TRANSPORT

615. Departmental administration, further amount required, $16,700.

Mr. Higgins: There are one or two matters I should like to bring to the attention of the Minister of Transport, who has been most co-operative on all occasions I have discussed matters with him. I am sure there will be no difficulty in the present instance.

Again I make reference to the newest province, and refer particularly to conditions at the port of Louisburg. That is the winter port of the Newfoundland railway, when ice conditions at North Sydney force the ferry to go to Louisburg. The Minister of Trade and Commerce will recall what was agreed at the time the terms of union were drafted. His words are quoted in the *Daily News* of September 29, 1949. The article reads as follows:

> Premier Smallwood stated that he remembered clearly when this matter had been brought up during the drafting of the terms of union that Mr. Howe had stated that adequate facilities for the handling of traffic at these alternate ports would definitely be made available if they were not there already.

The reference to alternate ports is a reference to Sydney and Louisburg. Perhaps the Minister of Trade and Commerce will remember that statement. I was not present with the last delegation, but it was understood that in the event of ice conditions at North Sydney which would prevent the use of that port proper facilities would be provided at the port of Louisburg. The hon. member for Grand Falls-White Bay and, I believe, all other members from Newfoundland, with the exception of the hon. member for St. John's West, came through Louisburg on their way to Ottawa to attend this session. From the port one has to use a railway which is not part of the Canadian National Railways. I believe it is known as the Sydney-Louisburg Railway.

The Sydney-Louisburg Railway is very fine for people who have money and who do not have to travel over it. The hon. member and I, who were in a hurry, could hire a taxi. But the people who do have to use the railway have some very trying conditions with which to contend.

Since arriving in Ottawa I have received communications from a number of people who have had to use the railway at night, and I am told that travelling conditions are not very pleasant. My information is that the train is not heated, except by a stove in the middle of the coach. There is no lighting except for an oil lamp. No provision is made for passengers coming off the boat, except a narrow gangplank. People have arrived at

a quarter to nine in the morning and have waited until after two in the afternoon before any accommodation was offered them.

This is a most unfortunate situation. I am bringing the matter to the attention of the Minister of Transport because I have always found him co-operative, helpful and courteous. These people say that this is proof that, so far as the Canadian National Railways are concerned, Newfoundlanders just do not count.

I do not believe that. I asked the agent at Louisburg on the day we arrived why it was one of the regular Canadian National coaches could not be put on at that point, and I was told that a proper car could not be used because the cars were too long for the curves.

I do not know what the facts are, but that is what I was told. In other words, they could not just put another car on that road. I am sure the minister will understand that I am speaking in good faith, and I hope he will take the matter into consideration.

As I said before, the Minister of Trade and Commerce did undertake, as Premier Smallwood stated—and he always says what is completely true—that proper accommodation would be provided. This is another little incident which is of interest in Newfoundland, and which is set out in a newspaper published in that province. This newspaper *The Sunday Herald* has a circulation of 19,749. Without delaying the house longer I shall read this article, because I believe it will appeal to the minister. The headline says: "Passengers spend hours in darkness, with madman aboard train". Then the subheading is in these words: "Harrowing trip." The article goes on to say:

> Passengers on a recent C.N.R. St. John's bound express were treated to a rare experience when those in the first class coaches were forced to sit for hours in the darkness, listening to the ravings of an insane person being brought to St. John's in a strait-jacket. In addition, those going to the diner had to eat their meals by flashlight thoughtfully provided by the steward.

This article is under dateline of March 18. It continues:

> The incident occurred about a fortnight ago on an eastbound train. At Clarenville, shortly before dark, a policeman boarded the train escorting a mental patient in a strait-jacket.

This is in the district represented by the Secretary of State (Mr. Bradley).

> The two sat in a first-class car, amongst the other passengers, two of whom were expectant mothers. Soon after the train got under way it was discovered that at least a portion of the lighting system had broken down and there was no light in the first-class car.
>
> For several hours the passengers were forced to sit in complete darkness until a makeshift battery system was set up which provided a small amount of light on one side of the car only. In the meantime the mental patient had not been exactly quiet, and many passengers, especially the expectant mothers, were greatly frightened that he might get loose in the darkness. Other passengers complained to the conductor, but of course there was little he could do about the matter.
>
> In the diner, a part of the special Bonavista branch car, the steward had to place a flashlight in a drinking glass to enable passengers to see what they were eating, but even then, as one passenger put it, "You couldn't tell the pork chops from the sausages."
>
> When the train arrived at St. John's, passengers had to use matches to find their luggage, and all are hoping that they will never again have such an experience.

I am quite certain the Minister of Transport will take care of these matters.

Mr. Isnor: I should like to direct the attention of the minister to the answer given today to a question standing in my name. It has to do with purchases of coal by Canadian National Railways. The first two parts of the question were as follows:

> 1. What quantity of coal (a) Canadian; (b) United States, was purchased by the Canadian National Railways in the years 1947, 1948, 1949?
>
> 2. Of orders placed, what quantities of (a) Canadian; (b) United States coal were delivered in each of these years?

Those parts were answered in full, but then followed what I considered the important part of the question which read:

> 3. What are the names of coal suppliers (a) Canadian; (b) American?

The answer given by the minister was as follows:

> For competitive reasons it is not in the general interest to provide the names of individual suppliers.

I feel that a more complete answer should be given, because it is in the interests of the small operators, particularly those in Nova Scotia, that this information should be available. I did not ask for the prices paid; I simply asked for the names of those supplying the coal. I think the minister should look into this further, and, if possible, furnish the names of the Canadian suppliers at least. I am not so much concerned with the names of the United States suppliers.

Mr. Chevrier: The answer given was the answer the officials of the Canadian National Railways indicated to me should be given. The attitude taken by the officials is as stated in the answer, that for competitive reasons they should not be asked to give this information. The committee on railways and shipping is master of its own destiny, and if the committee decides that that information should be given, the officials will have to give it. But I do not think the committee will insist upon its being given if the officials can give a good explanation of the competitive reasons. It may be that because of competition with other railroads it is not in the interests of the government-owned railroad to give this information. My

hon. friend is perhaps a member of the committee, and he may wish to raise this question in the committee.

Mr. Isnor: I am not a member of the committee, and that is why I refer to this matter here. In the past I have placed questions indirectly before the committee without getting a satisfactory answer. I know the minister well enough to know that he would not accept an answer like that if he were making inquiry about a subject in which he was interested. I sincerely trust that he will point out to the officials of the C.N.R. what I have said today. I feel that they should be asked to give full information as to the names of the suppliers of coal, particularly those in Nova Scotia.

Mr. Hatfield: What is being done about the shortage of refrigerator cars in the maritime provinces? I understand that the railroads sent a number of these cars to British Columbia because of the cold weather, and have not received a sufficient number back to meet the needs of the maritimes for the loading of potatoes. There is a great shortage of refrigerator cars in New Brunswick and Prince Edward Island.

Mr. Chevrier: I think perhaps we had better settle this question right away. My information is that there is not the shortage of cars to which my hon. friend refers. I stated the position in the house the other day, and I am prepared to state it again. I wish hon. members would agree on what the position is, because it is impossible to get agreement. Some say to me that the position is excellent, and then the hon. member for Queens and now my hon. friend states that it is not. I have a letter here from someone who should—

Mr. Hatfield: The minister mentioned Prince Edward Island the other day, not New Brunswick.

Mr. Chevrier: I am dealing now with Prince Edward Island, and I am also dealing—

Mr. Hatfield: I am dealing with New Brunswick.

Mr. Chevrier: —with the mainland. I have here a letter dated March 10, 1950, from the director of transportation of the Department of Industry and Natural Resources, Prince Edward Island, addressed to the deputy minister of transport. It reads:

> The real facts are that during the past several months we have had the best refrigerator car situation here for some years and I, for one, have no hesitation in going on record as stating that the Canadian National Railways have done everything in their power to aid us in this refrigerator car situation. I feel very strongly that they should be given full credit for this, and to my personal knowledge the Canadian National Railways officials at Charlottetown, at Moncton, and at Montreal, have given every attention to this matter and I feel very confident they will use all means within their power to aid our shippers in the months of March and April.

He goes on to refer to the additional service rendered by the *Abegweit*.

My hon. friend has referred to New Brunswick. The information I have from the Canadian National Railways is that there is no shortage, but in view of what my hon. friend has said, I shall make further inquiry. The director of transportation in Prince Edward Island should know what he is talking about, and from statements which I have made from time to time in the house—

Mr. McLure: To whom is that letter directed?

Mr. Chevrier: To the deputy minister of transport.

Mr. Hatfield: To my knowledge there is a great shortage in New Brunswick on the transcontinental and on the Saint John valley line. We have been trying to secure cars for weeks, and I am receiving telegrams every day.

Mr. Argue: On April 7, 1948, by order in council P.C. 1487, the board of transport commissioners was directed to conduct a general inquiry into the freight rate structure. As was recognized in that order in council, prevailing freight rates are discriminatory against certain parts of Canada; and as the minister well knows, any subsequent increase means an increase in that discrimination. My question is, how soon does the minister expect that a report will be made by the board on the general freight rate inquiry, and how much work has been done on that inquiry to date?

Mr. Chevrier: The answer to the first part of the question is, unfortunately, that it will not be very soon. Perhaps I should amplify that by saying that after the government instructed the board of transport commissioners to make an equalization of the freight rate structure in Canada, a royal commission was established to dispose of a number of matters concerning transportation. Meanwhile the board proceeded, under P.C. 1487, to ask the various provinces to make submissions, but the provinces took the position that the submissions they had to make at the time to the royal commission were of such importance that they would have to defer, for some time at least, their submissions on the general question of equalization.

In the meantime the board have not lost their time. They have instituted a waybill study. That is a study which will take some considerable time; also the recommendations

or representations the provinces may care to make to the board will have to await the conclusion of the hearings of the royal commission on transportation. So in short the answer to my hon. friend's question is that the investigation under P.C. 1487 is proceeding; that the board is not losing its time, since it is conducting a waybill study which will have to go into literally hundreds of thousands of various freight rate tariffs. Just as soon as it is possible to hand down a decision, which I am afraid will not be before some months, the board will proceed to dispose of that matter.

Mr. Argue: I might remind the minister that the board already has had two years in which to make the general inquiry. I hope it will not be another two years before anything is done about these discriminatory freight rates. I just wonder if the board is short of personnel, if this job is not too big for them, when they also have to consider applications from the railways from time to time. Could not this inquiry be expedited if the personnel of the board were increased, or if they were given additional technical assistance?

Mr. Chevrier: I should think it would be the other way around. I do not want to cast any reflections upon anyone, but it is easy to appreciate why the provinces could not submit representations to two bodies. They had to choose between making representations to the board of transport commissioners on the matter of equalization and making representations to the royal commission; and I presume they came to the conclusion, for various reasons, that priority should be given to the royal commission. The provinces have expert counsel, and while I do not know this for a fact it is my feeling that until their representations to the royal commission are terminated they will not want to make representations to the board of transport commissioners under P.C. 1487.

When my hon. friend says he hopes it will not take another two years, it is simply a matter of the time not being available to make representations to two bodies. As I understand it, there is no question of whether it will take two or three years. Neither do I think it is a question of personnel, because I am firmly of the opinion that if the provinces desired to make representations to the board right now under P.C. 1487 there is ample personnel, on both the technical side and the rate expert side, to deal with the situation.

Mr. Argue: Could they not do it concurrently with the application for increases that is now before the board?

[Mr. Chevrier.]

Mr. Chevrier: Oh, no; this is a different thing altogether. That was decided by the board away back in 1946, I believe, when the first application for the 30 per cent increase came before them. It was decided that the two things were separate and distinct. One was a revenue case for a 30 per cent increase in rates; the other was an inquiry to equalize and dispose of unjust and unfair discrimination, and it was felt that both could not be heard concurrently.

Mr. Low: I should like to ask the minister why he and his colleagues did not make use of the powers given in section 52 of the Railway Act to stay the application of any new awards by the board of transport commissioners, in the light of the very serious situation which has developed, particularly among farmers and others in western Canada. I know that on two or three occasions the minister said it never had been done, as if that were a reason. That is not a reason. The fact of the matter is that powers were placed in section 52 of the Railway Act giving the government authority to deal with just such a situation as has arisen. Why in the world the government would not feel that delay of a few weeks or even two or three months would be in the best interests of Canada, particularly since we are expecting reports not only from the royal commission but on the hearings before the board, is something I cannot quite understand. I should like a little better reason than has been given so far.

Mr. Chevrier: I do not agree with my hon. friend that the powers in section 52 to which he refers are as he says they are. I placed on record a complete definition of those powers in 1946. I do not remember everything I said at that time, but my recollection is that as far back as 1903 parliament decided that the way to dispose of freight rate matters was by a board of transport commissioners, and they were a technical body set up and established to deal with those problems. They took it away from the government. Before 1903 a committee of the privy council handled these matters, but parliament decided they should not be dealt with in that way but should be handled by a technical body, which was set up.

I could go on at some length and give additional reasons, but that was the main reason, because the powers of the governor in council are judicial in nature. The government did not interfere because it did not think it was proper to do so, since it is not the practice to interfere with the ordinary processes of courts of record. My hon. friend says the fact that it has never been done is not a reason. Well, other governments have been

faced with the same problem since parliament set up the board, and as a general rule they have taken the position that it is up to the board to decide these questions, not up to the governor in council.

Mr. Ross (Souris): I should like to support the remarks of the hon. member for Peace River, but in view of the statement just made by the minister I would like him to tell us who are the members of the transport board, that is the names of the various members, and what were their qualifications and experience for appointment to the board. What experience did they have in dealing with transportation problems, that is in railroading or otherwise, before their appointment?

Mr. Chevrier: I gave that information too, at some length, in the general freight rates debate that took place in this house in 1946 or 1947.

Mr. Ross (Souris): Are they the same members today?

Mr. Chevrier: I believe it was the hon. member for Victoria-Carleton who asked that question today; and the question was answered. If my hon. friend looks at that return, he will find it contains the names and occupations of those commissioners. I might be mistaken, and perhaps it was another hon. member who asked the question, but I think you will find the return was tabled today.

Mr. Ross (Souris): Does that return contain their past experience, as well as any previous experience they may have had in transportation matters before their appointment?

Mr. Chevrier: Yes.

Mr. Ross (Souris): Then, if it is a matter of a return, why not put it on *Hansard*?

Mr. Chevrier: It was put on *Hansard* today.

Mr. Ross (Souris): If it is a return, it does not appear on *Hansard,* but appears in *Votes and Proceedings.*

Mr. Chevrier: I have no objection. I am not trying to hide anything, and I hope my hon. friend is not attempting to indicate that I am. There is no secrecy about any of this information. I could give the names of the transport commissioners to my hon. friend now, but for the sake of saving time, I think he can find them in the return.

Mr. Knowles: It was an order for return.

Mr. Chevrier: What member was it?

Mr. Knowles: The member for Victoria-Carleton, and it was question No. 48.

Mr. Green: If the minister will recall, there was quite a lot of discussion about this question in 1948 and the year after. The board of transport commissioners handed down its first judgment and then on April 7, 1948 the minister, who had been under considerable pressure on this question, made a statement of government policy, and I have that statement here. In it, he announced that there was to be this general investigation of freight rates conducted by the board of transport commissioners. The words used by the minister on that date were very significant. He said:

> The government has taken into consideration the fact that no general investigation of freight rates has been made in Canada since that conducted in 1925 by the board of railway commissioners. In the circumstances, the government has decided it would be in the public interest to have the board of transport commissioners make a thorough investigation of the rate structure of railways and railway companies which are under the jurisdiction of parliament, with a view—

This is the crux of the whole plan.

> —with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit the freest possible exchange of commodities between the various provinces and territories of Canada and the extension of Canadian trade, both foreign and domestic, having due regard to the needs of agriculture and other basic industries. This investigation will be subject, of course, to the statutory provisions affecting freight rates known as the Maritime Freight Rates Act and the Crowsnest pass agreement.

Then, the minister tabled order in council P.C. 1487, to which he referred today, and which authorized the board of transport commissioners to make this general investigation of freight rates. The minister said that the government would not agree to a royal commission on transportation. Later in that year, as a matter of fact, after the Liberal convention, that policy was changed and a royal commission on transportation was set up.

In the session which followed, some of us pointed out to the minister that there was bound to be confusion between the functions of the board of transport commissioners conducting a general investigation into the whole freight structure, and the business of the royal commission on transportation. He ridiculed our remarks, but today he said the same thing himself in answer to the member for Assiniboia, that as the provinces could not deal with two investigations at the same time, they decided to make their representations before the royal commission. That is all water over the dam, of course, but I do think the minister should make it clear to the committee whether or not the board of transport commissioners is still to conduct a general investigation into the whole freight rate structure on the basis outlined in his remarks of April 7, 1948. The facts would seem to indicate that no such investigation is under way yet. Practically two years have elapsed,

and it looks to me as though there is not the slightest possibility of the board of transport commissioners carrying out an investigation on that particular scale.

Today the minister says they are busy investigating the forms of waybills. He says that is going to take them months and months. That is a far cry from a general investigation of our freight rate structure in Canada. I do ask the minister to tell us frankly today whether it is expected the board of transport commissioners will carry out such a broad inquiry. If they are going to do it, all right, but they should be busy at it now. It appears to me as though the government is waiting for the report of the royal commission on transportation, and that this whole plan of having the board of transport commissioners make a general inquiry has been sidetracked, if not completely abandoned. If that is the case, the house should know. Let there be no misunderstanding or confusion about the situation today.

Mr. Chevrier: Mr. Chairman, I do not think there is the slightest misunderstanding, neither is there any confusion. I wish my hon. friend would decide what it is he has in his mind. By that I mean, when it was suggested that the board of transport commissioners undertake a freight rate investigation in Canada under P.C. 1487, my hon. friend said, "No, we should not do that."

Mr. Green: No.

Mr. Chevrier: Just a moment, let me finish.

Mr. Green: On a question of privilege, the minister must not put words into my mouth. This happened two years ago, but I think if he will look at *Hansard* he will find I made no such statement at that time. I do not think the minister should base his argument on something I did not say.

Mr. Chevrier: I am not going to argue with my hon. friend, Mr. Chairman, as to his exact words. Perhaps he did not say no, and I accept his statement. I know his whole attitude was that of one opposed to the order in council 1487, and *Hansard* will bear me out. What he did want and what his colleagues wanted was a royal commission on transportation. The hon. member is quite right when he says I opposed it, because at that time I did not feel it was the thing—

Mr. Green: The minister is making a statement—

Mr. Chevrier: I did not interrupt my hon. friend.

[Mr. Green.]

Mr. Green: I did not make a misstatement. At the time this debate took place, I do not believe I was in Ottawa at all. I spoke on freight rates either in the fall of 1948—I believe I did speak later in that session of 1948. When I dealt with this royal commission and the general investigation by the board of transport commissioners, it was a year later, in 1949. At that time, the minister was asked how he was going to sort out these two inquiries. There were others who, in 1948, took the attitude the minister is now mentioning, but I did not take it.

Mr. Chevrier: I do not want to get into an argument with my hon. friend. On the other hand, I do not like him to make the statement that I have been ridiculing the attitude taken by him and by his colleagues. It is not my habit to do that. The point I am making is this. When we brought forward order in council 1487 for a general investigation of freight rates, that was objected to generally because it was said we had not gone far enough. Then, when the government decided to establish a royal commission and, at the request of the provinces put into the terms of reference almost everything the provinces requested, the answer then was, "That is not sufficient; why do you not carry on your investigation under P.C. 1487?" I have been trying to explain to the hon. member who first asked this question and I am trying to explain to the house now, that it is not possible, as I understand it, for the provinces to be in two places at the same time. Is this clear?

It is the intention of the board of transport commissioners and of the government to see to it that the general investigation of the freight rates structure in Canada be continued under P.C. 1487. My hon. friend asked for a clear and frank statement. I made the statement last year—I think I made it in answer to a question asked by the hon. member for Assiniboia (Mr. Argue)—and I make it now, that the only reason why the board cannot proceed more quickly and with more dispatch is that it must, of necessity, hear the representations of the provinces; and until it hears the representations of the provinces, how is it going to consider the equalizing of the freight rates structure?

After the royal commission on transportation has made its report, it may be that the board of transport commissioners may have enough information to warrant a decision. I do not know. But my understanding is that they will want to hear representations and submissions from the provinces. They cannot do so at the moment because the provinces

are engaged before the royal commission. Meanwhile they are conducting an investigation or a study into the waybill structure. That is a considerable study. It is a matter that is going to take some time because it has never been done in Canada. My information is that it has never been done in the United Kingdom or in the United States, and it is a big job. The board of transport commissioners inform me that until they have that study completed it is impossible to deal with equalization of the freight rates structure across Canada. I do not think I can go any further than to tell my hon. friend that it is the intention to proceed with the investigation. There has not been one since 1926; and the board and the government feel that there should be one now.

Mr. Green: Then the situation is that, after the royal commission on transportation has reported, the board of transport commissioners will proceed with the general inquiry into the whole freight rates structure. Am I to understand from the minister that that is the plan?

Mr. Chevrier: It is; and more than that, they are proceeding now.

Mr. Green: Oh, well—

Mr. Chevrier: They are proceeding now with the waybill study which is a matter that is taking some time.

Mr. Green: Have the provinces taken the position that they will make representations to the board of transport commissioners on this general inquiry?

Mr. Chevrier: I cannot answer that; but I would think they would want to make representations.

Mr. Green: Is the minister satisfied that the board of transport commissioners is strong enough to conduct a thorough and worth-while inquiry? And has the board a strong enough staff to enable it to carry out a proper inquiry? As we all know, in 1948 the commissioners made a decision which was reversed by the cabinet, and last year they made a decision which was reversed by the Supreme Court of Canada. They are now in difficulty again over their recent decision. I am asking the minister whether he believes that the board of transport commissioners as set up at the present time and the staff are strong enough adequately to deal with this freight rate question by way of a general investigation.

Mr. Chevrier: I am firmly of that view. I think it is borne out by the fact that the board of transport commissioners in 1926 conducted a fairly good examination into the freight rates structure of Canada at that time. I think it was called an equalization of freight rates then. From the point of view of staff, freight rate experts, statistical experts and the like, I would say that the board is in a stronger position today than it was then. It is not for me to compare the personnel of the board today with the personnel of the board in those earlier days. I would not attempt to do so. But since my hon. friend asked me for my opinion, I say that I am of the view that they can conduct a fair and thorough investigation at this time.

Mr. Coldwell: In view of all that has been said with regard to freight rates and transportation generally, both here and across the country, it seems to me that the time has come when the government and the House of Commons should consider what can be done for the whole transportation system of this country. What I mean is this. We are discussing this matter piecemeal. We are not facing the difficulties. I do not want to say anything that I should not say at the moment because of the inquiries that are now going on. But having regard to the proposals made by the president of the Canadian National Railways a few days ago, with the uneasiness all across the country and particularly on the prairies and British Columbia with regard to the increases in the freight rates, with the decline in railway traffic and the competition that has come to the railways by way of trucks picking up the most profitable business, and the dependence that we have in some parts of the country for the removing of our heavy commodities like wheat, coal and so on, it seems to me that the time has come when the House of Commons and the government of the country should face up to this whole transportation problem and try to straighten out the discriminations that exist, and which are oppressive, and try to have a real transportation policy for this country that would give us a chance of having freight rates and so on that would be within the reach of the people. I think the time has come when we must consider transportation not as a matter of railway rates but as a matter of integration of all our various transportation facilities, with a view to finding a solution for this grave problem; for grave it is when you see the manner in which deficits have piled up over the years when times have not been as prosperous as they were during the war years.

Mr. Chevrier: I do not think there is much fault I could find with what the leader of the C.C.F. party has said. I would point out to him, however, that the difficulty lies in the fact that if you have a general over-all policy on general transportation matters you then enter the provincial field. You must of necessity do that.

Mr. Coldwell: Yes, of course.

Mr. Chevrier: For instance, the question of highway transport is one which is under the jurisdiction of the provinces; and the question of international and interprovincial highways is one for agreement between the provinces. Then again it is a question which has been referred to two royal commissions already, namely the Duff commission and the Rowell-Sirois commission. Both of them pointed to the difficulty and indicated some of the solutions; but because it has been impossible to reach agreement with the provinces, the problem still remains. I do not know whether the provinces would be willing to reach agreement on that matter.

To deal with the matter more particularly, I say that the royal commission on transportation as now established has as its reference the general transportation problem in Canada. It may be that we can hope for some recommendation from them on that point.

Mr. Coldwell: In view of the situation that has developed, perhaps further discussions with the provinces might bring about some better understanding.

Mr. Chevrier: I should like to see that.

Mr. Coldwell: I have no doubt the government has it in mind. When the commission reports, no doubt some discussions will be held with the provinces with regard to the recommendations. I hope that something will come out of it. That is what I mean.

Mr. Johnston: I did not intend to discuss this question under this item; but as the question has arisen now, probably I shall be quite in order in what I am about to say. I agree that there should be some general over-all policy with regard to transportation in this country. It has been pointed out that the great discrimination in rates has affected different parts of the country. We out in the west particularly bear the brunt of that unfair competition; and it is my judgment that the time has come when there should be a thorough going-over of the transportation system of this country, particularly as it applies to the west.

My mind goes back immediately to a statement that was made by the Minister of Transport (Mr. Chevrier), and which was carried in an article appearing in the Ottawa *Citizen* of February 23, in which he outlined his view in regard to competition with the railways brought about by trucking. I am fearful lest the minister adopt the policy that was attributed to him in the quotation from the *Citizen* that I referred to when I spoke the other day. In that quotation he said he feared that competition from trucking would be a serious handicap to the railways. On that occasion he went so far as to say that the trucking business was operating beyond its economic radius. Out west we have only one source of competition with the railways. It is entirely different in eastern Canada, and it is also different in British Columbia. In eastern Canada there are the great lakes and the canal systems along the St. Lawrence river which offer fair competition in freight rates. In British Columbia they have the advantage of water transportation from Halifax and through the Panama canal up to British Columbia. That is a source of competition with the railways. In western Canada, and particularly in the western provinces, we have to depend on the competition of trucks to get us anywhere near a reasonable transportation rate.

Mr. Bryce: The trucks are bound by the policy of the public and utility boards to charge railway rates.

Mr. Johnston: Exactly. If the minister's ideas were correctly expressed in the Ottawa *Citizen* on February 23, then we can see a grave danger ahead for us, particularly in view of the increases already given to the railway companies, which affect us very materially in the west. I am wholeheartedly in favour of having a complete discussion of the freight rate structure carried on in the house. I should like to see a policy outlined which would benefit all of Canada, and not particularly one or two sections.

Mr. Chevrier: I do not want to enter into a discussion with my hon. friend on this subject at this time, because I know it could lead to some time being taken up in the house. I would like to suggest to him respectfully that he read the speech which I made. All he did was to read an article which was given to the press. If my hon. friend has not a copy of my remarks perhaps I can get him one.

Mr. Johnston: I have not a copy of the speech. I have to take what I saw in the press.

Mr. Knowles: I asked the minister to table it.

Mr. Chevrier: I think he should read the speech, and when the main estimates are up, or on some other occasion, I should be quite willing to enter into discussion with my hon. friend on the subject. At this juncture, if I may, I should like to say this, Mr. Chairman. If we go into a general discussion on transportation matters I am afraid the Minister of Finance will never get his estimates through. I do not think it was the intention that we should do that. These are specific items. I am prepared to deal with general items, if that is the wish of the house. I do not think

it is the wish of the house. I think the wish of the house is to deal with these particular items in detail. With the co-operation of hon. members I would hope that it would be possible to get on with this.

Mr. Johnston: I would not like the impression to go abroad that the statement which was carried by the *Citizen* was wrong, because I now have a copy of the minister's speech. As I look over it I find that the statement which was carried by the Ottawa *Citizen* on February 23 is quite correct. Possibly the minister will say that it is a part taken from the whole. He could have some argument there. But the quotation carried in the *Citizen* is exactly the same as the text.

Mr. Chevrier: I am not saying that the *Citizen's* report is incorrect. I have not seen it. I think that it would be correct. All I am saying to my hon. friend is that the speech was fairly long, and in a report in the *Citizen* he would not get what is contained in the speech. I suggest to him that he read the speech. We can defer this discussion to a future date.

Mr. Abbott: May I add my appeal to that of the Minister of Transport, Mr. Chairman? We are asked to vote $16,700 to cover additional amounts for telephones, telegrams and sundries, to clean up items for which commitments already have been made. I think a strict interpretation of the rules of these supplementary estimates is that hon. members' remarks should be directed to the item under discussion. Under the general item of departmental administration in the main estimates, by practice or convention, we discuss all the administration of the department. But if we are to finish today I would appeal to hon. members to restrict their remarks. There are a number of very important estimates to come before us, including the deficit of the Canadian National Railways. If we discuss transportation matters generally we shall be here forever.

Mr. Fleming: I rise not to discuss this matter but to ask this question. Does the government look to the royal commission to make some finding or recommendation on this question of the relationship of federal and provincial jurisdiction with reference to the whole transportation problem, particularly with regard to, let us say, interprovincial and international traffic?

Mr. Chevrier: Mr. Chairman, I am afraid I cannot give a definite answer to that, other than to say that the terms of reference of the royal commission are pretty broad. They include quite a number of matters; they also include a general reference to transportation policy as a whole. What the royal commission will recommend I am not in a position to say, although I believe they have powers to recommend a general transportation policy for Canada.

Mr. Green: When is the report expected?

Mr. Fleming: The point I want to make is that it is within the scope of the reference.

Mr. Chevrier: Yes.

Mr. Hatfield: Further in regard to the severe shortage of refrigerator cars in New Brunswick, I should like to read the following telegram which I received from the Canadian Pacific Railway. It reads as follows:

> Montreal, March 16, 1950—Your message yesterday to general freight manager Canadian Pacific Railway shortage refrigerators New Brunswick due to unusual demand this class car for movement apples from British Columbia to Vancouver account donation British Columbia to England also as result slow return our equipment to us due shortage coal United States railways we expect gradual improvement.
>
> R. E. Taylor

Mr. Fraser: I do not want to hold up this estimate, but on this item I want to ask one question. There was a million dollar fire in the transportation building in Quebec city last Friday night. The minister has not said anything to the house about it. According to the report the transportation building on the Quebec waterfront belonged to the Department of Transport. I wondered what that building was for and who did own it?

Mr. Chevrier: It is the building of the marine agency of the Department of Transport in the city of Quebec. It is the building which is connected with the agency which looks after administration of marine services for the lower St. Lawrence area. I have not had a complete report from our officers. There is someone down there now dealing with it. Until I have a report I am not in a position to say anything more.

Mr. Fraser: According to the report, the Royal Canadian Mounted Police are probing the fire. The reason I bring it up is this. We had another fire in an airplane hangar up near London, Ontario, which ran into a million dollars; we had one in the ordnance depot in Ottawa, which ran to three-quarters of a million dollars or more, and I wondered whether there was not something wrong with the set-up. There is no proper fire protection or sprinkler system in those buildings or that would not happen. The minister might try some of the fire-resistant paint that I mentioned some time ago. It might help.

Mr. Green: When is it expected that the royal commission on transportation will report?

Mr. Chevrier: The last discussion I had with the chairman was to the effect that he expected the completion of the arguments by the provinces to be effected fairly soon, and that after that the commission would have to give consideration to the tremendous volume of evidence. I am hopeful that it will be possible to have a report in 1950. I would not want to be committed to that. I would think that it would be sometime in 1951. I am speaking from the impression I received. I do not want my hon. friend to come later and say that the minister quoted such and such a date. My impression is that it is not likely to be much before 1951.

Mr. Green: It is perfectly clear, in any event, the report will not be in early enough for there to be any legislation introduced at this session.

Mr. Chevrier: I would say not.

Mr. McLure: May I clear up a slight misunderstanding. At no time was I complaining about the Minister of Transport, so far as the supply of reefer cars was concerned. At all times I was endeavouring to give him information, and I accepted what he said as his understanding of what was correct, having in mind the source from which he was getting his information. I do say however that I knew it was not correct because the source from which I gained my information indicated clearly that there was a shortage of reefer cars.

Never at any time however did I complain, nor do I now, about the Minister of Transport. It was not his fault that the shortage existed. I shall not take further time to discuss the matter although, if time permitted, I would place on record some telegrams I received today.

Mr. Chevrier: I thank the hon. member for his remarks.

Item agreed to.

Marine service—

616. Administration of pilotage, including authority for temporary recoverable advances; contributions and the operation and maintenance, as required, of necessary pilot vessels in certain pilotage districts—further amount required, $5,000.

Mr. Isnor: When will the minister be in a position to make a report concerning the collision off Halifax harbour? I use the word "off" instead of "in", because it would be difficult for anyone to understand how a collision of that type could take place in Halifax harbour. The minister will recall that in that collision eleven fishermen lost their lives. He has already ordered an investigation and, if not today, I trust that in the near future he may be able to make a report.

[Mr. Green.]

Would he be good enough to have his marine officials look into the matter of setting up proper paths for incoming and outgoing shipping, such paths to be properly marked by buoys. I do not know whether this suggestion is feasible, but it has been placed before me in a letter.

Mr. Chevrier: I shall be glad to ask my officers to look into that suggestion. Also, when I have the report following the investigation—and I do not have it today—I shall be glad to give it to him.

Mr. Isnor: Thank you.

Item agreed to.

Marine service—

617. Miscellaneous services relating to navigation and shipping—further amount required, $16,914.

Mr. Green: The minister will recall that late in the last session there was considerable discussion concerning the need of amending the shipping law and shipping regulations which became apparent from the *Noronic* disaster. I understand the department has drawn up new regulations which have been submitted to different parties across the country for their suggestions. Is it the intention of the minister to give the House of Commons, or any committee of the house, an opportunity to look over those regulations before they become law?

I understand there have been some substantial changes, and I suggest the regulations should be placed before a committee of the house, perhaps the committee on marine and fisheries. What is the plan in this connection?

On November 25, 1948, I asked him about the wreck of the steamship *Chelohsin*, off Stanley park, in Vancouver. At that time he said he was having an investigation made, and promised he would advise me of the results of that investigation. Has the report been made available? If so, would the minister table it?

Mr. Chevrier: I shall have to ask my officers where the matter stands. My recollection is that a report did come to my attention. I shall be glad to see that the hon. member gets it.

Then, as to the regulations arising out of the *Noronic* disaster: May I say there will be full opportunity for discussion of those regulations. When that will be I do not know. First of all, I made the statement, as the hon. member will recall, that the recommendations of the Kellock commission would be carried out.

Mr. Green: The new regulations?

Mr. Chevrier: Yes. The regulations were made, but not put into effect. They were sent to all the bodies who would be interested, including ship owners and operators on both coasts. Representations were thereafter made to departmental officials and to me with respect to those regulations. I am not in a position yet to say that there has been any finality; but there will be full opportunity for discussion.

Mr. Green: Would there be any objection to furnishing members with a copy of the proposed regulations?

Mr. Chevrier: I would have to look into it, but I would not think there would be.

Mr. Stuart (Charlotte): Mr. Chairman, may I refer to examinations of young men and old men who are applying for certificates to carry on their vocations on the water. I know of several cases where they have had difficulty because of the eye test given by officials of the Department of Transport.

I learned recently about a young man, forty-one years of age. I know this man well, and I know that he has been engaged on the water for twenty years. This man wished to obtain a certificate to engage in day work which would have involved his travelling four or five miles in each direction. On his eye test he was turned down.

That young man, his father or, if he were living, his grandfather, could go to the provincial government and obtain a permit to drive a car in traffic moving at 50, 60 or 70 miles an hour. Yet, when he wishes to travel on water at only eight or ten knots he is refused a certificate because of the failure of his eyesight. Perhaps many of the regulations might be enforced to a greater degree, but I believe the enforcement of this one should be given careful consideration. Young men who have spent their lives on the water, and who must have a certificate, should be given every consideration.

Item agreed to.

Marine service—

619. River St. Lawrence ship channel—contract dredging in the St. Lawrence river and Montreal harbour, including cost of administration—capital—further amount required, $435,295.

Mr. Fraser: I should like to have further details on this item, because none are given. Does Montreal pay anything toward harbour costs?

Mr. Chevrier: No.

Mr. Fraser: It is not like Toronto in that respect.

Mr. Chevrier: In Toronto the board of harbour commissioners is a corporate body, whereas in Montreal it is part of the national harbours. We vote money for the development of the harbour at Montreal, under the act.

Mr. Fraser: Does this amount of $435,295 represent the complete contract price?

Mr. Chevrier: No.

Mr. Fraser: What was the full contract price?

Mr. Chevrier: The full contract price for last year was $2,939,500.

Mr. Fraser: What is the name of the concontracting firm?

Mr. Chevrier: Marine Industries Limited.

Mr. Fraser: Is that in rock or mud?

Mr. Chevrier: Both.

Mr. Fraser: In there it would be limestone.

Mr. Chevrier: Yes.

Mr. Hatfield: Does this represent all the dredging contracts on the St. Lawrence in the year 1949-50?

Mr. Chevrier: I am not competent to answer that, because it is a matter which would come within the control of the Minister of Public Works. So far as the Department of Transport is concerned, this is the only division of my department that deals with dredging.

Item agreed to.

Marine service—

620. To provide towards the acquisition and reconditioning of two vessels for Pacific ocean weather station "P" (estimated cost $750,000)—capital, $165,000.

Mr. MacInnis: This appears to be a new item, because there is no indication that it is a further amount required. Would the minister tell the committee from whom these vessels are to be acquired, where they will be stationed on the Pacific coast, and when the work will be completed? This is only a small part of the reconditioning expenses.

Mr. Chevrier: These vessels are being acquired from Marine Industries Limited at a cost of $57,500 each. Speaking from memory only, their position will be approximately 500 miles north and west of Victoria.

Mr. MacInnis: How long before the ships will be ready for service?

Mr. Chevrier: It is expected they will be ready some time this year.

Mr. Higgins: Is there only the one ship in the Atlantic in connection with the joint operations with the United States?

Mr. Chevrier: Yes.

Mr. Green: What company is building these ships?

Mr. Chevrier: They are being purchased from Marine Industries Limited and will be converted as weather ships.

Item agreed to.

Railway service—Hudson Bay railway—

621. Construction and improvements—capital—further amount required, $8,300.

Mr. Knight: I have the greatest respect for at least one reason which motivates the Minister of Finance in trying to get these estimates through the committee, but this item represents such an important matter to northern Saskatchewan that I cannot let it pass without a word. We consider the development of the Hudson Bay railway as being vital to northern Saskatchewan. Reference was made last night, particularly by the hon. member for Souris, to the grain elevator at Saskatoon and the fact that it is not put to proper use.

It is our hope that in the days to come when the present wheat agreements will have run out there will be more occasion to store grain in northern Saskatchewan, particularly in Saskatoon. Our hope is that the elevator there will be used to a greater extent than it has been used during the past few years. With the wheat contracts there was a need for speedy delivery but that condition will be changed from now on and it is to be hoped that this grain elevator will be used for the purpose for which it was built.

I could make a speech on the notes I have here, but I shall reverse the method and instead of making a speech I shall simply use the notes. I have put down one or two things which I think are important and I shall state them in the shortest possible time. All things being equal, there is no doubt that it would be advantageous for the importers in the province to use that route. With a lengthening of the insurance period and a consequent lengthening of the navigation season the farmers could save money by shipping their wheat over this railroad, I believe to the extent of eleven or twelve cents per bushel. Because of the contracts with Great Britain our farmers have not been able to take advantage during the past few years of the saving that was possible.

A bill has been introduced by my colleague, the hon. member for Melville, to amend the Canadian Wheat Board Act to place Churchill on the same footing as Vancouver, Port Arthur and Fort William as shipping points for wheat. Such an amendment would be of great help. The principal association promoting the use of this port, the Hudson bay route association, are sending a delegation to Ottawa to ask for a greater use of this route. I plead with the government to give favourable consideration to their representations.

Because of the limited time in which insurance is applicable, only a partial use has been made of the time during which the port facilities could have been used. Insurance is applicable for 65 days from August 8 to October 10, and during that period the port facilities for the shipment of wheat were used for only 18 days last season. I am thankful that five and a half million bushels of wheat were shipped last year which was some small advance over the year before, but, as the Minister of Transport knows, that is only a token shipment from that port. With the full use of the facilities there is no reason why 20,000,000 bushels of wheat could not be shipped out during that time. If the period during which insurance is applicable were lengthened the amount that could be handled would be correspondingly greater.

We will be having certain gentlemen in eastern Canada, and perhaps in this house, saying that this railroad is a white elephant, that it is costing the taxpayers money, but I want to say to them that it has been demonstrated that if 15 million bushels were shipped through the port in one year it would eliminate that contention. If I am to keep my promise I shall have to stop, but there are three or four points I should like to stress.

First, we need the co-operation of the interested parties, the wheat board, the railways, the harbours board, the provincial governments and above all the federal government in order to encourage the use of this route.

Second, we should have the greatest possible quantity of imports and exports moved over this route.

Third, there should be a lengthening of the insurance period at both ends of the present period. It is rather ridiculous that a ship should be in that port a day or two before the insurance period commences and remain there for a couple of days in quiet waters waiting for that period to commence. As I have said on other occasions, this period should not be inflexible. After all, the weather varies from year to year and with the navigation services we have in those northern seas I do not see why the insurable season could not be made flexible. Captains of ships operating this route have brought that to my attention.

Lastly, I see no reason, from the surveys and reports we have received, why the insurance

rates should not be the same as those applying on shipments from other ports in Canada. The captains who sail these seas back me up in that contention.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

Payments to or for veterans and dependents—

627. War veterans allowances—further amount required, $60,000.

Mr. Diefenbaker: Could items 627 and 628 stand? The hon. member for Vancouver-Quadra has been here all afternoon but has been called away and will return momentarily.

Item stands.

DEPARTMENT OF TRANSPORT

Government-owned enterprises—deficits—

630. Additional amount in excess of the sum of $1,159,000 already appropriated, to provide for the payment during the fiscal year 1949-50 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company to the Minister of Finance, and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1949—further amount required, $62,230.

Mr. Diefenbaker: Mr. Chairman, I suppose that under any one of these items reference may be made to the Canadian National Railways?

Mr. Abbott: I would think that item 632 would be the most appropriate.

Mr. Diefenbaker: I shall restrict my remarks to just one phase of the operations of the Canadian National Railways. It has to do with a matter I brought to the attention of the Minister of Transport on one or two other occasions, as far back as July 2, 1947. I am not one of those who follow a course in the house of asking for expenditures to be made by the government and then, the expenditures having been made, rising subsequently to object because taxation is high. Any suggestions I have made concerning expenditures have been with respect to developments of a national character that will pay dividends.

I now want to bring to the attention of the minister a matter that is of transcendent importance to the employees of the Canadian National Railways, having to do with the improvement of the situation regarding their pensions, as provided for under the Canadian National pension fund. I speak particularly for the employees in the lower brackets, and I ask the support of hon. members in all parts of the house in behalf of those employees. On November 12 last a question was asked as to the number of retired employees of the Canadian National Railways in receipt of pensions of less than $25 a month. That question was asked by the hon. member for Winnipeg North Centre, and similar questions have been asked on one or two occasions by myself as well. According to the figures brought down then there are in this country 55 retired employees of the Canadian National receiving less than $25 a month, and some 2,743 receiving only the basic pension of $25. Those receiving between $25 and $30 a month number 841. Between $30 and $39.99 per month the number is 664, and some 354 receive between $40 and $50.

Mr. Knowles: I wonder if the hon. member would permit an interruption at that point. Similar questions were answered today, showing that in the lower brackets the situation is a little worse. It so happens that the 55 who were getting less than $25 a month are now down to 31, no doubt owing to deaths, but the group getting only $25 has gone up in number to 2,952.

Mr. Diefenbaker: The hon. gentleman received replies to certain questions today that are generally similar to the statistics I gave as of November last, except that the situation has been intensified in respect to the number in receipt of the basic pension only.

When I brought this matter to the attention of the minister almost three years ago he stated that the attention of the board which looks after the administration of the pension scheme for the Canadian National would be directed to the representations made. I have no doubt the minister carried out that pledge, but it is apparent that nothing has been done to remedy the situation. It is a serious matter for the employees of the railway who, receiving the lower salaries, are unable to make provision for their own security. Indeed, those receiving this basic pension of $25 a month find that when they reach the age of seventy they are definitely prejudiced as compared with those who receive old age pensions at that age. After the basic pension is allowed for and a valuation of the property owned by the pensioner has been arrived at, in many cases the individual railwayman is denied a portion of, if not the entire, old age pension.

The basic pension paid by the Canadian National Railways is both picayune and inadequate. I am sure no one in this country, neither the government nor the people who own this railway, would have any objection to the payment of a fair and reasonable basic pension in place of that which prevails. In

these days when private industry is prepared to pay a basic pension of $60 or $65 a month, with some contribution on the part of the employees, I believe the government as an employer should show the way in assuring a reasonable degree of security for its own employees.

Then I want to bring to the attention of the minister a complaint in connection with the administration of the pension fund. Altogether too much red tape is insisted upon in connection with proof of age and continuity of service. Numbers of Canadian National employees object most strenuously to the fact that, their continuity of service having been interrupted by being placed on the spare or slow board, they are denied the pension for the entire period of their service. While they were unemployed they could not seek employment elsewhere; but, having a break in their service, are denied a pension proportionate to the period of time they have been with the company. I believe something should be done in this regard. Then, there is no reason why proof of age should be insisted upon to the extent of a birth certificate or its equivalent. Surely the census information given by the parents of these employees seeking pension should be accepted as the best evidence of age in the absence of official documentation. Persons now approaching the age of sixty-five may have been born in an area where birth registration certificates were not as generally available as they are now.

The third suggestion I make is in connection with those who are out of work by reason of illness and are denied unemployment insurance. These employees contribute regularly to the unemployment insurance fund; it is compulsory. The only time they are able to collect any return under that insurance is when suitable work is not available. As far as railway and other similar employees are concerned, I believe provision should be made to ensure them protection under the Unemployment Insurance Act in the event that they become unemployed by reason of illness.

I am not going into further detail in connection with the pension system, except to say this. I think the time has come when we should enact legislation similar to the United States Retirement Act. It protects men in service on the railways, no matter where performed. Some Canadian National employees began their service on other lines and yet their service on those other lines cannot be counted in the computation of their pension.

I wish to ask the minister what was the result of the negotiations last fall between the unions and the Canadian National Railways in connection with the demand for a five-day week and a seven-cent per hour increase in wages. I have been asked that question by a number of employees. What are the possibilities of acceptance of those terms, or at least a compromise?

Finally, sir, there is one other matter affecting the province of Saskatchewan, and northern Saskatchewan in particular. I know that the minister and nearly every other member of the house from Saskatchewan has received letters from Mrs. Gibbs, who lives in northwestern Saskatchewan, and who for some time has been conducting a one-woman campaign for the completion of the gap between Heinsburg and Frenchman's Butte in northwestern Saskatchewan. Persistently, in season and out of season, Mrs. Gibbs, representing the view of the people of northwestern Saskatchewan, has demanded the completion of this gap. The settlers who went in there twenty-five or thirty years ago find themselves in a forty-mile gap between the ends of a railway which begins nowhere and ends nowhere. To make it a useful, worth-while and paying railway branch line, I submit it should be completed. The gap between Bonnyville and St. Walburg should also be completed.

Anyone who goes into that area cannot but be impressed by the disadvantage suffered by the people who are served by railway lines in which a gap remains to be completed. Those settlers went in there believing that those lines would be completed. I ask the minister, when he replies, to give those people some hope that this work will soon be undertaken.

Again I ask the minister to bring to the attention of Canadian National Railways the fact that they have several thousand employees whose basic pension, after many years of service, is out of line, having regard to any other pension system in effect today; that it is unjust as to its amount, and that it denies to employees the security they rightfully should have, having regard to years of service rendered at comparatively low rates of pay.

Mr. Knowles: Mr. Chairman, I shall take only two or three minutes, for the obvious reason that my views about this matter are on record a great many times. But I want to support the representations put so well by the member for Lake Centre. I feel it should be indicated that there is wide support for the request that is being made for the reconsideration of the position of Canadian National employees, so far as pensions are concerned.

I want to thank the minister for his readiness to secure information and put it on *Hansard* every time I have asked a question

about the pensions of employees of the Canadian National. I think it is regrettable that the Canadian Pacific has refused to give the minister the same information, which he has tried to get, at my request. I believe we should have the figures for both railroads. My conversations with employees of both lines lead me to believe that the situation on the Canadian Pacific is probably even worse than it is on the Canadian National.

Since in the midst of what the member for Lake Centre was saying, I indicated that I had been given answers that were a little more up to date than what he was quoting from, may I summarize, in so far as I may be able to do it in a few moments, the information that was put on *Hansard* today? I point out that there are 15,413 Canadian National employees on pensions of various kinds. Of that figure, 6,997, or 45 per cent, are drawing pensions of less than $40 per month. One other figure I should like to give; of that total of 15,413, 12,210, or almost 80 per cent, are drawing pensions of less than $80 per month. I use those figures of $40 and $80 for the same reason I used the same figures last evening in connection with another item. Those are the amounts by way of old age pensions that a single or married person could draw if he had been unable to save anything else.

Some of these employees are receiving a basic non-contributory pension, it is true, but many of them have been contributing towards these pensions, and they have all been working for the railroad for many years, yet they draw a pension which, in some cases, is less than they could obtain under the Old Age Pensions Act. There seems to be an opinion abroad that railroad workers are in a preferred class; that they receive high wages and generous pensions. Well, here are the figures, and they show that that impression is wrong. The details supporting what I have said in these few remarks will be found, by those who are interested, in that portion of today's *Hansard* which gives the answers to the questions that were on the order paper.

Now, I need not go further today, Mr. Chairman, because of the pressure of time under which we are working, and because I have argued this matter so frequently. I do press upon the minister, however, the need for considering the position of Canadian National pensioners. I press upon the Canadian Pacific Railway as well the necessity for reconsidering the position of its pensioners, including its retired employees who get no pension at all. I hope it will not be long before something is done.

Mr. Fulton: Just before the item carries, I understand the minister is going to make some reply, so I want to say in brief form that I support the representations which have been made by the two hon. members. I do hope the minister can consider the matter, not only with regard to the retirement pensions themselves, but also with respect to the position of those railway employees who have become sick, and particularly those who are forced to retire before the normal retirement age owing to ill health, and that he will impress upon his colleague, the Minister of Labour, the desirability of making some provision in the Unemployment Insurance Act so that these people who, in effect, are out of work because they are sick—that is not the technical position, I know, but that is what the position is in effect—will not be denied the benefits from the fund into which they have been paying over many years of employment.

The Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Diefenbaker: What has the minister to say generally? I think the railway employees have the right to a declaration.

Mr. Chevrier: I consider these matters to be of such importance that I do not think I can in a minute or two reply to the questions that my hon. friend has raised. My hon. friend has taken about fifteen minutes—I know he has covered it quickly—to deal with several fairly important matters. My suggestion to him and to the committee is that perhaps I might be allowed to make a statement when my main estimates are up for consideration.

Some hon. Members: Carried.

Mr. Diefenbaker: I will not raise any objection to that procedure, but would the minister not be in a position to state the present position of negotiations with the union with regard to the five-day week?

Mr. Chevrier: No, I am not. That is a matter which concerns the Minister of Labour. I have some knowledge of it; but as it is a matter which comes under his jurisdiction, I think I should not attempt to deal with it.

Mr. Diefenbaker: It is under whose jurisdiction?

Mr. Chevrier: The Minister of Labour's.

Item agreed to.

632. Amount required to provide for the payment during the fiscal year 1949-50 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company, to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of

the national company) arising in the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the national company from the consolidated revenue fund—Canadian National Railways, exclusive of eastern lines, $25,709,703; eastern lines, $16,333,325; total, $42,043,028.

Mr. Drew: It is not my intention to discuss the details or the background of this item, large though it is. There is one reason particularly why I do not intend to do so at this time, in addition to the fact that these are supplementary estimates closing the accounts of the past fiscal year. The royal commission which is now considering all aspects of this problem has already had certain representations made to it, and will have others, which have a bearing on this large item that we are now called upon to deal with. There is, however, one subject that I think should be mentioned at this time.

Recently the services of the Canadian National were greatly reduced because of the statement that there was a shortage of coal. That matter can be discussed at a later time. However, in regard to this whole subject, the responsibility for what took place rests ultimately upon the government. The explanation that the reduction in services was due to a shortage of coal is one that I do not think can be accepted as covering the whole period during which that reduction of services was in effect. After all, this is not merely a question of cutting down services. What was extremely important, in addition to the inconvenience to the public, was the result to those who were working on the railways, and particularly those in the lowest income bracket. No matter what steps may be taken to economize on this road between now and the time that the royal commission will report, I believe that great care should be exercised so that in the future those steps of economy shall not cause the uncertainty and concern and the real difficulties which resulted from the curtailment in the past few months. The morale of those working on the Canadian National will be greatly affected by the course that is followed. I can only repeat that the explanation to the effect that this curtailment of services was due to a shortage of coal is hard to accept for a period of that kind when in this country we have such enormous supplies of coal both in Nova Scotia and in Alberta. Certainly some way could have been found if that was, in fact, at any time the real explanation. The workers on this railway during the years of war and under heavy pressure have given loyal and faithful service. I can only repeat that in whatever steps are taken in the future to meet the situation, in any steps of economy that may be taken, we should make sure in every possible way that it is not done in a manner which will affect the workers on the railway.

Item agreed to.

633. To hereby authorize and provide for payment during the fiscal year 1949-50 to Trans-Canada Air Lines to be applied by Trans-Canada Air Lines in payment of the deficit (certified by the auditors of Trans-Canada Air Lines) resulting from the operations of Trans-Canada Air Lines and its subsidiary, Trans-Canada (Atlantic) Limited, during the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the company from the consolidated revenue fund—Trans-Canada Air Lines, $1,419,444; Trans-Canada (Atlantic) Limited, $2,898,150; total $4,317,594.

Mr. Drew: This item is one which calls for a somewhat different approach from that taken to the other items that have been before us. The other items that we have been discussing are items which are closing out the accounts in regard to the various activities under the direction of the government; but this is the first time in the whole fiscal year that anything relating to this item has been before the house. There are reasons why an explanation should be given at this time for the figures that are now before us. The figure that we are called upon to deal with is a payment of $4,317,594 as a deficit in the operation of Trans-Canada Air Lines over the operating year of 1949. This item should certainly not be passed without an explanation to the committee as to why there has been this large increase in the deficit. At this point I think it would be well briefly to put on the record the trend that should be in the mind of every hon. member in being called upon to deal with this item.

In 1943 there was a surplus for the year of $147,888. I will simply use the even dollars. In 1944 there was a surplus for the year of $7,409. In the year 1945 there was a surplus for the year of $32,722. In 1946 there was a deficit for the year of $1,269,624. In 1947 there was a deficit for the year of $1,624,739. In 1948 there was a deficit for the year of $2,933,240. Now we are asked to provide for a deficit of $4,317,594 for the year 1949. That figure is broken into two amounts, according to this item in the estimates. On the domestic services of Trans-Canada Air Lines for last year there is a deficit of $1,419,444; and on the trans-atlantic operation there is a deficit of $2,898,150. The latter figure is of importance in view of the statements that were made before the committee that dealt with the previous report. That represents an increased deficit of $236,422 on the domesti

services or the North American services, as they are described; and it represents an increased deficit of $1,147,932 on the overseas service. That large increase in the deficit on the overseas service follows an assurance last year by the general manager of the Trans-Canada Air Lines that there was every reason to believe the situation in regard to the overseas services would improve. It would be well now to go back to the time that this bill was put before the house and the anticipated situation at that time. On page 2043 of *Hansard* of March 22, 1937, there is a statement by the minister who was then introducing the bill, the present Minister of Trade and Commerce, and I quote these words:

> It is thought that from the start the mail contract and such passenger and express business as is immediately available should cover the cost of the service. We have made provision, however, for a subsidy to protect the service in that period. After 1940, as I have said, the subsidy provision expires, and the mail contract will be on the basis of cost of the service. I think that outlines fairly well the intention of the bill. The whole matter can be more fully considered when the bill is brought down.

In other words, at that time it was expected that the extension of the service was going to make the Trans-Canada Air Lines self-supporting. Today we find ourselves in the position where the surpluses of the years during the war are now giving way to greatly increasing deficits. I might point out that in 1940 there was a surplus of something in the neighbourhood of $500,000. In a speech on March 20, 1941, the present Minister of Trade and Commerce estimated that the surplus for that year would be $60,523. In view of those surpluses, in view of the increasing deficits, it seems that before we are called upon to pass on this there should be a detailed explanation of the reason that the expectation of the general manager of the Trans-Canada Air Lines last year was not fulfilled, and why we have this large increase in the deficit on the overseas services, in addition to a smaller increase in the deficit on the domestic operations.

Mr. Howe: Mr. Chairman, the annual report of the Trans-Canada Air Lines has just reached my desk. It will be tabled in the house on Friday. We hope the committee on government-owned enterprises will sit next week and will examine the results of the operations for the fiscal year 1949-50 and the forecast of this year's operations. I think my hon. friend will agree that to try to duplicate that work, or to anticipate it, in committee of the whole, would be defeating the purpose of having estimates referred to committees of the house.

Mr. Fulton: Estimates are not referred.

Mr. Howe: This particular estimate will not be, but the estimates of the railways will be.

Mr. Fulton: As I recall it, it is not the practice to refer the estimates to the committee, but merely the reports.

Mr. Howe: I can assure the hon. member that the estimates will be referred to the committee.

Mr. Fraser: Only the estimates of External Affairs are ever sent to a committee.

Mr. Howe: I have been associated with this for many years. I can assure my hon. friend that certain items in the estimates are referred to that committee and are reported back to the house.

Mr. Fulton: If the minister will permit me, Mr. Chairman, I have in my hand the report of the committee of last year. Subject to correction, my reading of the third report does not indicate that the estimates were before the committee. I was a member of the committee. I do not remember that we considered the estimates, certainly not any estimate—

Mr. Howe: I assure my hon. friend that tomorrow the Minister of Transport will move that certain items in the estimates be referred to the committee on government-owned railways and shipping.

Mr. Fulton: This one will not be referred.

Mr. Howe: No, that is correct. Trans-Canada Air Lines had a very bad year last year, much worse than anticipated. Several factors contributed to that. The fundamental factor is growing pains. In July, 1948, the number of seat miles flown by Trans-Canada was more than doubled by the introduction of bigger equipment. As far as the trans-atlantic service was concerned, it was realized that there would be a movement from summer peaks to empty seats in the wintertime. To offset that, services were developed to the Caribbean, which are showing much better results this year than were shown last year when the routes were being initiated. Put simply, the load factor was below the break-even point of the system. Of course the system has also been faced with increasing operating costs, just as every other transportation system has been faced with higher operating costs. That is a summary. I could go into some of the circumstances that were responsible for the loss of a good deal of traffic last year; for instance, crashes all over the world were responsible. I may say that a crash in India has a repercussion on domestic and particularly on overseas lines of Trans-Canada Air Lines—or a crash anywhere in the world, for that matter.

Somehow or other the rumour started last April and May that the North Star planes were unsafe, and there was a very marked drop in traffic during the months of May and June, arising out of that rumour, which I think we now know was wholly unfounded. That is a broad sweeping outline of the reasons why we had a bad statement last year. This year we predict an operating result which will show a substantial profit for the domestic lines, and a substantial loss for the overseas lines. I am happy to say that in the two months to date a very substantial improvement has been made on the operating results that were predicted by the management at the turn of the year.

Mr. Green: Can the minister give us those figures?

Mr. Howe: I have not got them now. They will be available to the railway committee of which I believe my hon. friend is a member. The beauty of the committee is that the management is there with every possible figure that anyone may require. As I say, this annual report just reached me today. I have not the figures available to go into any extensive analysis.

Mr. Drew: Did I understand the minister to say that this committee will be sitting this week?

Mr. Howe: We hope so, yes.

Mr. Drew: If that is so, it may of course be possible to deal that much more quickly with these items.

I want to refer to one statement that the minister has made. There were no rumours last year about the North Star. There were statements that were related to instructions that were given by the officials of the Trans-Canada Air Lines, which referred to the difficulty that they were having in regard to the engines in those planes. If there was any public impression related to those statements it was a public impression that was related to instructions that were given primarily by Mr. Slemon, who was directing flying operations of the Trans-Canada Air Lines. However, that can be dealt with in the committee, and will be dealt with then.

At the moment I was referring particularly to the break-down of these losses, because it would help hon. members to have some understanding of where these various increased deficits have arisen. If the statement is to be available to us on Friday, and this can be considered in the committee next week, I do agree that this subject could very well be discussed at that time. Of course we are called upon to pass on an item of $4,317,594.

[Mr. Howe.]

Mr. Howe: Unfortunately that money is spent.

Mr. Drew: I recognize the fact that the money is spent and nothing we can do will unspend it. I do agree, therefore, that it will be best to dispose of this item now, and then to go into the component features of it before the committee so that we shall have the information available to us in dealing with the estimates for next year.

Mr. Fulton: Before the item carries it should be pointed out that the remarks made by the minister this year, as to the forecasting of greatly improved conditions, particularly in the Atlantic service, bear a striking similarity to the forecast made last year, when an improvement was forecast. Despite that we are now asked to authorize the payment of a deficit of over a million dollars greater than the one before.

In this connection I would refer to the observations made by the general manager of the air lines, as reported at page 313 of the proceedings of the committee on railways and shipping for 1949. On that occasion I was asking him why the emphasis was being placed on this transatlantic service when the trend seemed to be toward deficits. The manager stated at that time, and was supported by the minister who was also before the committee, that he felt confident this position of deficits would not long continue, and that substantial improvement would be shown in the year's operations. Those are the operations for the year now reflected in this deficit of $2,898,150.

This is what took place on that occasion, when I had said that the report showed an increasing trend toward deficits in the overseas service:

> Mr. Fulton, again, as yesterday, I disagree, both as to the interpretation of the wording and what I believe to be the trend. It says, "at the present time,"—referring to the 1948 conditions, and the 1948 report,—and this certainly was the case, but I can very definitely assure you that our financial returns on our overseas operations for 1949 show improvement, and that the months that have already gone by would indicate that these estimates are very close to accurate.

That was on April 6, 1949. Three months of that year had already gone by, and the manager, supported by the minister, said that the conditions showed that there would be a further improvement for that year.

Then, earlier in the same sitting, as reported at page 275, he is reported to have said:

> The trend in the Atlantic operation, as forecast for the year 1949, is also a reduced deficit.

I point out the striking similarity between what was said last year, in forecasting a

reduced deficit, and what the minister has just said this afternoon. The fact is that we are dealing with a deficit which is over a million dollars greater than that in the preceding year. I cannot see where the minister has given us any concrete reasons for believing that we will not be called upon next year to vote an even greater deficit than that for which we are asked this year.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

Loans and investments—

634. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; refund of surplus to veterans (section 19); and for protection of security under the Veterans Land Act—further amount required, $1,425,000.

Mr. Wright: May I call to the attention of the minister the matter of making loans as well as grants available for the purchase of farms in western Canada. Out there, there are numbers of large farms on the market, which have been operated as units. Some returned men are desirous of going on the land but, as individuals, they find it impossible to secure these farms, because they are too large. However, if they operated co-operatively, and if loans as well as grants were made available, they could purchase these farms for operation co-operatively. We have had considerable experience in Saskatchewan in the operation of such farms, and such operation has worked out successfully. I suggest it would be advisable for the minister at this time to give consideration to a request which has been made by, I believe, the Saskatchewan government, that these loans be made available to returned men who wish to take part in co-operative farming. Co-operative farming has been done successfully where grants have been made available, and this has been of great assistance to the returned men.

However, they would ask the minister to go a little further, and make loans as well as grants available.

Mr. Gregg: I shall study the situation.

Item agreed to.

The Chairman: Only items 627 and 628 are left for consideration. We will proceed with the first of these:

627. War veterans allowances—further amount required, $60,000.

Mr. Green: The committee will notice that one of these items asks a further amount for war veterans allowances, while the second is for a further amount in the special assistance fund, from which extra payments can be made to recipients of war veterans allowance. It is obvious that the Department of Veterans Affairs underestimated the amount that would be required. That means that they underestimated the hardships and sufferings of the veterans entitled to war veterans allowance.

That is the first point I wish to make. My second point is that in the break-down of the item, as set out at page 14, we find that a third of the amount required for war veterans allowances is for veterans of the second world war. I do not know what proportion of the special assistance fund is to be applied to help those veterans. It is now perfectly obvious however that the war veterans allowance is becoming of great importance not only to the veterans who served in the first world war, but also to those who served in the second.

I suggest the time has now come to increase these war veterans allowances to the amount received by old age pensioners. The veteran of both world wars is the charge of the dominion government. As such he should receive just as much as is paid to a civilian who is primarily the charge of his or her province. The time has come to give consideration to an increase in war veterans allowances.

Furthermore, I would urge again upon the minister the necessity of setting up at this session a special committee to deal with veterans affairs. He is proposing changes in the War Veterans' Allowance Act. He proposes to bring in men who served in the allied forces, and is also proposing to decentralize the administration so far as the making of awards is concerned.

These are important changes in the act—sufficiently important, I suggest, to call for the setting up of a special committee. This is not the opportune moment to discuss the matter at length, but I would ask the minister whether or not under the circumstances he would reconsider the stand taken by the government, to the effect that there will be no increase in the war veterans allowance, and that there will be no special committee at this session. Is the minister not willing to reconsider those decisions?

Mr. Wright: May I support the hon. member for Vancouver-Quadra in what he has said with respect to setting up a committee to study war veterans allowances and other matters affecting veterans. Today the war veterans allowance is $40.41, I believe, and in at least three of the provinces the old age pension exceeds that amount. In addition, in at least three of the provinces, old age pensioners get complete medical services whereas our war veterans get only partial medical services.

Mr. Green: The wife gets more as well.

Mr. Wright: That does not seem fair. I submit that the department should provide an additional grant of at least $85 to take care of emergency cases.

Mr. Abbott: This is in addition to half a million provided before.

Mr. Wright: In addition to that.

Mr. Abbott: There is $60,000 of an underestimate in connection with an item of $20 million.

Mr. Wright: That simply proves my point. The emergency exists and it must be met by these additional votes. If the war veterans allowance was sufficient and if complete medical services were provided these emergency grants would not be necessary. I am quite sure the minister will agree that about 75 per cent of these cases are due to sickness, either of a veteran or of members of his family. I think it is time that we gave complete medical services to those who are receiving war veterans allowances. The only way this matter can be dealt with effectively is by setting up a committee where these things can be discussed and given fair consideration.

Mr. Quelch: Mr. Chairman, I would have liked to speak at some length on this item but in view of the fact it is only a few minutes to six o'clock I rise simply to support what has been said by the two previous speakers. I think the Minister of Veterans Affairs should explain why the government has refused to set up a committee on war veterans affairs. In the past it has been customary to set up such a committee at the start of each new parliament. I presume the government must have some special reason for refusing to set up a committee, but the fact is that hon. members are receiving resolutions from the Legion and other organizations asking for amendments to the War Veterans' Allowance Act and these matters can be discussed effectively only in a committee.

Mr. Herridge: Mr. Chairman, I am going to take only a minute or two to indicate my support of the opinions expressed by the previous speakers. The proposal by the Canadian Legion that a parliamentary committee on veterans affairs be appointed should receive further consideration by the minister. I am sure the minister and all hon. members will admit that throughout the years the Canadian Legion has made constructive and sound proposals to the government and to hon. members of this house, as a result of which we have the present War Veterans' Allowance Act, the amendments to the Pension Act, to the Veterans' Land Act and to the rehabilitation act.

I think the request of the Canadian Legion that the rate for single men should be increased to $50 and for married men to $85 is modest. While the special assistance has been of great help to a large number of veterans, I think hon. members will agree that a satisfactory solution will not be reached until the basic rate is increased. I could go on at some length and I shall have more to say on veterans affairs when the main estimates are under consideration, but in conclusion I urge the minister to reconsider the proposals of the Canadian Legion, particularly those affecting war veterans allowances.

Mr. Abbott: May I just interject to say that perhaps Your Honour will not watch the clock too closely, particularly as there is another item of $1,425,000 in connection with the Veterans' Land Act. This is one of the most urgent items in the bill as we have had to stop making these payments. I have two bills to put through and I would hope that perhaps you would not watch the clock too closely.

Mr. Gregg: I am sure that none of the hon. gentlemen who have spoken expect me to deal with these questions in full this afternoon. I shall be prepared to do so on my main estimates. However, to answer the question asked by the hon. member for Vancouver-Quadra, first as to the setting up of a committee and second, as to increasing the basic rate, I would say that I have considered the matter fully and up to the present time I am not prepared to recommend an increase in the basic rate or the setting up of a committee at this session.

Item agreed to.

Resolutions reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Hon. Douglas Abbott (Minister of Finance): Perhaps I should formally move:

That the house be not adjourned at six o'clock p.m. this day.

Motion agreed to.

WAYS AND MEANS

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. Abbott moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1950, the following sums be granted out of the consolidated revenue fund of Canada, namely, the sum of $65,986,459, being the amount of each of the items as set forth in the further supplementary estimates (3) for the fiscal year ending March 31, 1950.

Motion agreed to.

Resolution reported, read the second time and concurred in.

Mr. Abbott thereupon moved for leave to introduce Bill No. 14, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

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

INTERIM SUPPLY

Mr. Abbott moved:

Resolved, that a sum not exceeding $233,837,011.33, being one-sixth of the amount of each of the several items to be voted, as set forth in the main estimates for the fiscal year ending March 31, 1951, laid before the House of Commons at the present session of parliament; and in addition thereto, a sum not exceeding $1,125,000, being three-quarters of the amount of item 170, a sum not exceeding $1,900,666.66, being one-third of the amount of items 30, 430, 497, a sum not exceeding $324,283.16, being one-sixth of the amount of items 70, 172, 175, 176, and a sum not exceeding $2,614,658.75, being one-twelfth of the amount of items 66, 94, 189, 191, 192, 361, 362, 366, 374, 375, 377, 380, 384, 385, 386, 425, 432, 434, 559, of the said estimates be granted to His Majesty on account of the fiscal year ending March 31, 1951.

He said: Mr. Chairman, this is the usual resolution asking for interim supply. The general proportion of one-sixth, that is two months, for all services is intended to provide for all the necessary ordinary requirements; and in addition, as usual I am asking for one-third of certain special items. The item in agriculture covers the freight assistance on western feed grains. The item in trade and commerce covers the Canadian international trade fair. The item in transport covers the royal commission on national transportation. An additional one-sixth is being asked of certain items. The item in external affairs has to do with Canadian representation at international conferences, to meet the expenses of certain conferences which will be held in the early months of the year. The items under the Senate and House of Commons, general administration, are necessary because our heaviest expenditures come in the early months of the year. An additional one-twelfth, that is one month, is being asked on the vote under finance covering the wartime prices and trade board administration, while the additional one-twelfth under mines and technical surveys is required to enable the department to provide for the early equipping of survey parties and their dispatch to the field as soon as possible.

There is one item which is unusual, and to which I direct the attention of the committee. I am asking for an additional three-quarters of one item, that is the vote in the main estimates covering unemployment assistance to certain residents of Newfoundland, to give effect to the terms of union with Canada. In this case it is found that the expenditures are running greatly in excess of what was estimated by the Department of Labour, when the estimates were prepared in January; and I should say here that it will be necessary to ask for a supplementary estimate at a fairly early date.

The form of the bill is exactly the same as the one which was passed at this time last year, and as the bills that have been passed in previous years. Of course I give the usual undertaking that the passing of the bill will not prejudice the rights and privileges of hon. members to criticize any items in the estimates which may come up for consideration from time to time during the rest of the session. The undertaking is given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this interim supply bill.

Mr. Drew: It is not our intention to discuss the details of these matters, because this is just the formal procedure to meet the requirements until the general estimates can be discussed. We accept the assurance of the Minister of Finance that this is done without prejudice to the further discussion of these items.

Mr. Abbott: May I add that I greatly appreciate the co-operation which has been shown in the committee yesterday and today.

Mr. Knowles: In the special case the minister referred to, did I understand he is asking for three-quarters in addition to one-sixth, making a total of eleven months?

Mr. Abbott: That is correct.

Mr. Knowles: But one month is still left so we may discuss the item?

Mr. Abbott: That is correct.

Mr. Higgins: I believe the minister referred to expenditures on the Newfoundland services being in excess of what was estimated.

Mr. Abbott: Unemployment assistance.

Mr. Higgins: I believe receipts are equally in excess of what was anticipated.

Mr. Abbott: This is not the insurance item; this is for unemployment assistance.

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. Abbott moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1951, the following sums be granted out of the consolidated revenue fund of Canada, namely:

1. The sum of $233,837,011.33, being one-sixth of the amount of each of the items set forth in the main estimates for the fiscal year ending March 31, 1951;
2. The sum of $1,125,000, being three-quarters of the amount of item 170 of the said estimates;
3. The sum of $1,900,666.66, being one-third of the amount of items 30, 430, 497 of the said estimates;
4. The sum of $324,283.16, being one-sixth of the amount of items 70, 172, 175, 176 of the said estimates; and
5. The sum of $2,614,658.75, being one-twelfth of the amount of items 66, 94, 189, 191, 192, 361, 362, 366, 374, 375, 377, 380, 384, 385, 386, 425, 432, 434, 559, of the said estimates, as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolutions reported, read the second time and concurred in.

Mr. Abbott thereupon moved for leave to introduce Bill No. 15, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

[Mr. Abbott.]

He said: Mr. Speaker, tomorrow is government day, so we shall proceed with the following items: Resolution No. 16 on today's order paper, concerning a bill to amend the Agricultural Products Act; resolution No. 18 on today's order paper, concerning the Agricultural Prices Support Act, 1944. Those resolutions are in the name of the Minister of Agriculture.

Then we shall proceed with resolution No. 19 on today's order paper, concerning the Fisheries Prices Support Act, 1944. There are three resolutions in the name of the Minister of National Defence, Nos. 21, 22 and 11 on today's order paper. If those resolutions are carried, and we have time left, we will proceed with the resolutions in the names of the Minister of Trade and Commerce and the Minister of Veterans Affairs, Nos. 12 and 20 on today's order paper. We still hope to have time left to pass the motion of the Secretary of State for External Affairs to refer his estimates to the committee.

Mr. Green: After that?

Mr. Fournier (Hull): Yes, if we have time. We really hope to make progress, because those are only the resolutions, and we would like to have the bills before the house for early consideration.

Mr. MacInnis: Mr. Speaker, will the resolutions be taken in the order in which they were named by the minister?

Mr. Fournier (Hull): As for the first three, we will proceed in that order. As to the three resolutions in the name of the Minister of National Defence, I have not consulted him about the order but I would advise him to start with the small resolution, I suppose.

Motion agreed to and the house adjourned at 6.15 p.m.

[The following items were passed in committee of supply]:

DEPARTMENT OF TRADE AND COMMERCE

B—General—

Atomic energy control board—

614. Chalk river project—capital and operating expenses—further amount required, $200,000.

DEPARTMENT OF TRANSPORT

A—Department—

615. Departmental administration—further amount required, $16,700.

Marine service—

616. Administration of pilotage, including authority for temporary recoverable advances; contributions, and the operation and maintenance, as required, of necessary pilot vessels in certain pilotage districts—further amount required, $5,000.

617. Miscellaneous services relating to navigation and shipping—further amount required, $16,914.

618. To provide for the repayment to a proper authority or to the government of the United Kingdom of excepted expenses, as defined in section 296(5) of the Canada Shipping Act, incurred by the said government for the relief, maintenance and repatriation of distressed seamen left behind out of Canada, from ships registered in Canada, or of distressed Canadian seamen left behind out of Canada from ships other than of Canadian registry, and to provide for the repayment to shipowners, or agents, up to the amount of the seamen's forfeited wages, of expenses incurred by such owners or agents and referred to in section 283 or 295 of the Canada Shipping Act, $3,000.

619. River St. Lawrence ship channel—contract dredging in the St. Lawrence river in Montreal harbour, including cost of administration—capital—further amount required, $435,295.

620. To provide towards the acquisition and reconditioning of two vessels for Pacific ocean weather station "P" (estimated cost $750,000)—capital, $165,000.

Railway service—Hudson Bay Railway—

621. Construction and improvements—capital—further amount required, $8,300.

Maritime Freight Rates Act—

622. Additional amount in excess of the sum of $5,503,000 already appropriated to authorize and provide for the payment from time to time during the fiscal year 1949-50 to the Canadian National Railway Company of the difference (estimated by the Canadian National Railway Company and certified by the auditors of the said company to the Minister of Transport as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in section 9 of the said act with respect to companies therein referred to) on all traffic moved during the calendar year 1949 under the tariffs approved on the eastern lines (as referred to in section 2 of the said act) of the Canadian National Railways—further amount required, $190,771.

Air service—civil aviation division—

623. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder—further amount required, $13,000.

624. Contribution to the government of Denmark as Canada's share in the joint support of north Atlantic air navigation facilities in the Faroes and Greenland, $174,967.

Demobilization and reconversion—air service—civil aviation division—

Airways and airports—

625. Care, operation and maintenance of Royal Canadian Air Force airfields transferred to the Department of Transport—further amount required, $8,000.

B—Canadian Maritime Commission—

Mail subsidies and steamship subventions—Eastern local services—

626. Campobello, N.B., and Lubec, Maine, service between—further amount required, $667.

DEPARTMENT OF VETERANS AFFAIRS

Payments to or for veterans and dependents—

627. War veterans allowances—further amount required, $60,000.

628. To authorize under regulations to be approved by the governor general in council the establishment of an assistance fund (war veterans allowance) from which shall be paid supplementary assistance in cases of acute financial distress as may be found to exist from time to time among recipients of benefits under the War Veterans Allowance Act, 1946—further amount required, $85,000.

Miscellaneous payments—

629. Employers liability compensation—further amount required, $25,000.

DEPARTMENT OF TRANSPORT

Government-owned enterprises—Deficits—

630. Additional amount in excess of the sum of $1,159,000 already appropriated, to provide for the payment during the fiscal year 1949-50 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company to the Minister of Finance, and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1949—further amount required, $62,230.

631. Additional amount in excess of the sum of $360,000 already appropriated to provide for the payment during the fiscal year 1949-50 to the Canadian National (West Indies) Steamships, Limited (hereinafter called the company) of the amount of the deficit occurring during the year ending December 31, 1949, in the operations of the company and the vessels under the control of the company, as certified by the auditors of the company, and upon applications made by the company to the Minister of Finance and approved by the Minister of Transport—further amount required, $100,498.

632. Amount required to provide for the payment during the fiscal year 1949-50 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company, to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) arising in the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the national company from the consolidated revenue fund—Canadian National Railways, exclusive of eastern lines, $25,709,703; eastern lines, $16,333,325, total $42,043,028.

633. To hereby authorize and provide for payment during the fiscal year 1949-50 to Trans-Canada Air Lines to be applied by Trans-Canada Air Lines in payment of the deficit (certified by the auditors of Trans-Canada Air Lines) resulting from the operations of Trans-Canada Air Lines and its subsidiary, Trans-Canada (Atlantic) Limited, during the calendar year 1949, this amount to be applied in the repayment of accountable advances made to the company from the consolidated revenue fund—Trans-Canada Air Lines, $1,419,444; Trans-Canada (Atlantic) Limited, $2,898,150, total $4,317,594.

DEPARTMENT OF VETERANS AFFAIRS

Loans and investments—

634. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; refund of surplus to veterans (section 19); and for protection of security under the Veterans Land Act—further amount required, $1,425,000.

END OF VOLUME I