

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session - Twelfth Legislature
34th Day

Tuesday, March 29, 1955

The House met at three o'clock p.m.

WORLD DISARMAMENT

Moved by Mr. Feusi (Pelly), seconded by Mr. Heming (Moose Jaw City):

“That this Assembly urge the Government of Canada to intensify its efforts to achieve world disarmament by mutual consent together with abolition of the use, possession and manufacture not only of all nuclear weapons but also of all other weapons of mass destruction, to the end that the marvellous new forces made available to man may be used for welfare not for warfare, and that peace may be based on the surer foundation of mutual understanding and co-operation.”

Mr. Arnold Feusi (Pelly): — Mr. Speaker, I do not pose as an expert on foreign affairs, but I take great pleasure in moving this resolution in the hopes that it may strengthen the Government of Canada in its pursuit of peace among nations. In a programme of ‘atoms for peace’ Canada has a commanding position. Recently, in the latest papers and magazines, we find world-shaking articles written by authoritative people on the problem of peace and how to arrive at peace. I have here the Reader’s Digest of April 1, 1955, and I would like to read from it a few pertinent articles under the heading: “The Controversial Mr. Strauss”. Mr. Strauss is the Chairman of the Atomic Energy Commission of the United States. I quote:

“It is the job of Rear Admiral Lewis L. Strauss, Chairman of the U.S. Atomic Energy Commission, to see that the United States manufactures more weapons, and more terrible weapons, than the Soviet Union. He lives with a tremendous burden of secret knowledge of the U.S. atomic effort, and with less knowledge of the Soviet effort than he would wish.”

And further on in the article:

“Strauss was Truman’s first nominee to the Atomic Energy Commission. The Commission was headed by David Lilienthal. The other three commissioners usually went along with his decisions, while Strauss put in a long exasperating stint of minority dissent. On two occasions Strauss stubbornly fought for his point of view: One was when he argued that the United States should set up listening posts around the world to detect atomic explosions elsewhere, a system that confirmed the first Russian explosion in the autumn of 1959. (Members of the Joint Congressional Committee on Atomic energy subsequently declared that it was Strauss’ foresight that

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saved the United States from the 'disaster' of remaining in ignorance of Russia's success with the atomic bomb).

"The other strong dissent was when Strauss, recognizing immediately that if Russia could produce an atomic blast, it was only a matter of time before she would produce a hydrogen explosion, insisted that the production of a hydrogen bomb in the United States be made an urgent programme. Most of the other commissioners and most of the top physicists, led by J. Robert Oppenheimer, stood against the programme. Finally Defence Secretary Louis Johnson and Secretary of State Acheson came to agree with Strauss, and Harry Truman announced, almost five months after the Russian explosion, that the United States would manufacture the super-bomb."

Mr. Speaker, in our lifetime we have seen the evidence and the results of two major world wars. There is the definite threat of a third great war in the offing. This could be the war to end all wars, as we have heard before. Because of the power and destruction of the forces available, there is a possibility there won't be any humans left to wage a fourth world war.

Today, the sinews of a third war are in the hands of two great nations of differing ideologies. What their attitudes to each other have done to the safety of the world is drastically illustrated in United States News. There is quite an article here, entitled "Russia Checkmated":

"United States bases now set. Knockout if Reds move. Russia finally is checkmated in her plan to attack and overrun the west. The reasons: United States, in five years since the Korean war began, has fashioned a usable big stick. Russians today are ringed by new United States retaliation bases equipped ready to use. To strike back, the United States now has 1,000 big jet bombers, 10,000 atomic weapons. No Russian attack on the western world could get at all these bases, bombs and bombers. If bases remain after attack Russia faces certain destruction from built up United States forces. Result: United States suddenly finds it can deal from real strength; act without risking major war."

And it gives the geographical pictures of the airfields (and the flying times) from which they could deposit the bombs upon Russian and Chinese targets. It poses a tremendous threat to that part of the world, and I would like to quote on in the same article, from Defence Minister George Zhukov of Russia:

"We must prohibit the use of these weapons. We must do so in the interests of humanity. Some crazy person or people might use such weapons. The existence of these weapons is very dangerous for both parties."

Incidentally, very recently President Eisenhower has commissioned Harold Stassen on a chore to try and bring some degree of understanding between Russia and the United States.

Just ten years ago these great nations were partners in a war of survival against the greatest military machine the world had ever experienced — the Nazi and her satellite armies of Europe. The effort at co-operation between the United States and the Union of Soviet Socialist Republics to defeat Hitler's forces should have resulted in a lasting peace and a friendship between these two great nations. This was not the result, Mr. Speaker. Even though we can say that the rank and file of the peoples of the world and of these great nations should want peace and should want to get to understand each other better, the great nations have drifted further and further apart.

Let us look at the war budgets of the leading nations of the world for the past few years. The figures are derived from the Year Book known as the 'Statesman', and I am quoting from the Year Book of 1953 and 1954:

"The Union of Soviet Socialist Republics, in 1953, total budget, 530,532,000,000 rubles. Defence expenditures for 1953, 111,200,000,000 rubles. Defence expenditures were 21 per cent of the total budget of the U.S.S.R. in 1953.

"The U.S.S.R., in 1954, total budget, 552,200,000,000 rubles. Defence expenditure for 1954, 100,000,000 rubles. Defence expenditure was 18 per cent of the total budget and was a definite decrease from the previous year."

In other words, Mr. Speaker, there was a definite trend in the U.S.S.R. toward less military spending and toward a softening-up in their attitude toward other nations. This was very noticeable during the Malenkov period, when budget emphasis was placed on improving the living standards of the Russian people.

Now let us look at the budgets of the United States and other nations:

"The United States of America, in 1953: total budget, \$74,593,000,000. Military expenditures, in 1953, \$44,380,000,000. The military expenditures were 60 per cent of the total budget of the United States in 1953.

"The United States budget, in 1954, \$66,000,000,000. Military expenditure was 51 per cent of the total budget of 1954."

This, again, was a definite reduction in military spending, and should have been a continuing trend.

The smaller nations follow the footsteps of the larger nations, and they are following in fear these days, Mr. Speaker.

"Britain's budget, in 1954, totalled £4,274,492,000. Military expenditures for 1954, £1,379,640,100, or the military expenditures were 32 per cent of the total budget of Britain for 1954.

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“Canada, in 1953, total budget, \$4,337,000,000. Defence budget, \$1,882,400,000. Canada’s defence budget was 43.4 per cent of the total budget. Last year, in 1954, the total budget, \$4,390,000,000; national defence for 1954, \$1,839,700,000, or, in Canada last year, our defence budget was 41.9 per cent of the overall budget.”

That is a small decrease, but nevertheless a decrease, in defence spending, or military spending.

It is interesting to compare the percentages of the nations’ expenditures, and I would like to draw a few comparisons on our Canadian budget. In Canada, in 1954, we spent 41.9 per cent of our national budget for defence. The total interest on the public debt was 10.9 per cent of the general budget. Tax rental payments and provincial subsidies were 7.7 per cent, as compared to the military percentage of 41.9 per cent. Family allowances were 8 per cent of the budget; national health and welfare, 1.8 per cent. Mr. Speaker, when you contrast that 1.8 per cent with 41.9 per cent, certainly that is a damning indictment for the situation the world is in, today — the need of that tremendous spending for war, or planning of war or defence.

And now, with an atomic cloud hanging over their heads, the Russians have revised their internal economy. Many of the nations or the writers of the world have been commenting and puzzling over the changes made in Russia recently. We know that Malenkov is out, Bulganin is in. Bulganin is a member of the Old Guard of the old Russian regime. The entire Russian economy now will stress defence measures and heavy equipment for possible all-out war, or all-out defence. The United States of America will also step up its military programme. It is a natural following. Britain and Canada will follow suit, as will every other smaller nation. Fear will drive nation after nation to greater and greater war expenditures. Canada has even gone to the extent, very recently, of controlling steel — certainly a war measure’s principle.

In other words, Mr. Speaker, the ‘rat race’ for greater and greater military expenditures is on again, and we can wonder for what purpose. There are two bright spots still shining through the atomic cloud and that fact is that the two great military leaders have known each other before and respect each other. I am thinking of President Eisenhower, who has the respect of a great portion of the world, and General Zhukov of the Russian forces. These two generals met after the second world war, are friends and know each other well; they also know the effects of major war.

Just a little over ten years ago, Mr. Speaker, I was fortunate to be a member of one of the finest air squadrons in history. Naturally each of us that were in a service unit feel that we had the very best; but I believe that I was in a very good air squadron — the City of Edmonton Mosquito Squadron. Our planes roamed the skies of Europe freely right to the Russian frontier. With long-range tanks they were able to cover the major portion of Europe. At that time the pincers were closing on the Nazi empire from the east and the west. Blood and destruction was at the highest, for at that time military frenzy rose in the crescendo that culminated in the destruction of Berlin. We lost crews daily, Mr. Speaker, in the latter period of 1944, and I cannot help but recall it was a very harsh thing, such fine men as the crewmen were, to know them one day and the next day to have to strike them off the list of the living.

Feelings were very high at that time in Great Britain and Europe, not only among the military, but among the civilian people as well. So much so that after each victory on the eastern front, one could hear in public the audible sighs of relief — “Thank God for the Russians”. Similar feelings must have been in the minds and hearts of the Russians, at each victory on the western front — “Thank God for the Allies”; and strange, I believe, at the very same time, German mothers must have been praying to the same God as we were, on behalf of German sons. As our forces and the forces of the Soviet Union met on the Elbe and in the ruins of Berlin, we were partners at that time, comrades-in-arms in the greatest victory of modern times. World War II was the war to end all wars. Today, 10 years later, we are re-arming the remnants of the Nazis and Fascists in a so-called defence of democracy. The sawdust Caesars and dictators we shunned 10 years ago are now our partners and the great allies of democracy — a peculiar situation. The five years of the second world war are a sham; the blood, tears and sweat of those years are a hollow mockery; for, today, we arm the foes of ten years ago to fight the comrades of that day.

We know that, not so long ago, a German general who was incarcerated in the gaols of Canada was allowed his freedom to go back home. That German general was responsible for the deaths, the loss of lives, of Canadian prisoners of war; yet, today, we feel that he is being mooted for the leadership of the German army, and possibly will be leading Canadian troops. That is the situation we are in today.

It all points up that war is an insanity. The only ones who have gained were those who profited out of armaments and those who need a war economy for prosperity. Is this not a lesson, such a lesson, written in blood, that should make every citizen make a decent effort to settle all differences around the conference tables? War has never solved anything permanently, Mr. Speaker.

What are these differences between major powers, and between lesser powers, in the world, today? What are the problems which disturb the peace of the world? We could class them as political to begin with. We have two major political systems that are at loggerheads. The one has the ideology of “should profits of corporations go to enhance the wealth of individuals, or should they be used by the state for the general good of society?” We have that difference, in a lesser degree, right in this House. We can settle those differences amicably and with the goodwill of the people.

Other differences, Mr. Speaker, are religious. We need only go right within our own nation, right within the Christian religion, we probably have thousands of varieties of the Christian belief, and pretty well the history of mankind shows that almost every group of people have some deity that they bow to. Religious differences can be solved; there is no reason why they should be a cause for war anymore. We have racial differences as well, but religious and racial differences can be solved. Canada sets an example; and there is no reason why the governments of the world cannot agree, as the Canadian citizens agree. We have differences, but we agree to disagree.

Then, Mr. Speaker, there is probably the matter of ignorance of the great problems in the world, today. A large number of the people fail to understand, fail to have the patience to try and understand. We have struggles for power: those that have great wealth, today, attempt to build

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on that wealth or attempt, through police states, to retain the wealth that they have. Economically and physically, Mr. Speaker, as was said many years ago by a great statesman of the country to the south of us, "no people can exist half slave and half free." Tolerance and patience are needed in the world today as never before.

Another explanation of the differences that exist in the world today was brought out in the British Parliament, in 1945, when they were discussing the after effects of the World War II, and in quoting from the 'Mother of Parliaments' I would just like to state that we, here in Saskatchewan, although our Parliament here is 50 years old, have much to learn from the Mother of Parliaments, in tolerance and wisdom. I would like to quote from Captain Peter Thorneycroft; and he deals in some of the differences, on a resolution. I believe it was the Crimean Conference that he was speaking on at the time, in the British House; and it brings items to life that are much in the paper, today, particularly the Yalta papers. Captain Peter Thorneycroft speaks thus:

"I believe the real difficulty in which my hon. friends find themselves is not so much . . . at all. I believe it is in the apparent conflict between documents like the Atlantic Charter and the facts of the European situation. We talk to two different people in the different languages. In the east we are talking to the Russians; the Russians are nothing if not realists. I believe Marshall Stalin's motives are entirely honourable. I believe that the Russian Foreign Office is perhaps more in tune with the advice which would be given to the Czars than to the potentates of the twentieth century. In such circumstances we talk in language not far removed from power politics.

"In the west we are faced by the Americans. They are nothing if not idealists. To them we talk in the polite language of the Atlantic Charter. Somehow or other we have to marry these two schools of thought. If I could persuade the Americans, particularly in the middle west, to have something of the Russian realism to international relations, and persuade the Russians to have the idealism that exists on the east coast of America, we might get somewhere; but let us face the fact that the process will be a long and painful one. You do not move suddenly from a world in which there are international rivalries into a world where there is international co-operation."

Mr. Speaker, he mentions Yalta, and the fact that the Russians are realists in their dealings with other nations of the world. We know now, from the Yalta papers, that Marshal Stalin played the game at Yalta as if he had all the deuces and all the aces, and he played the cards very close to his chest. I believe this is the reason why the Americans, today, do not acknowledge China as a member of United Nations, or acknowledge the entry of China to United Nations. Somehow or other they feel that if China was given that right, it would mean another card in the hands of the Russians. Yet, Mr. Speaker, it is going to be necessary that China enters the United Nations organization, for the simple reason that there you have a nation of over 400 million people that are unrepresented, today; it is an unhealthy situation.

Now, another speaker, in the same debate, was a Mr. Harris, and he gives another view of the differences in the major powers in the world today. He says:

“Right through the Yalta Agreement there is much use of the word ‘democracy’. Democracy is often used to cover a great multitude of sins and it is interpreted in very different ways. The American conception of democracy is very different from the British, and the Russian conception of democracy is also very different from the British. The average Russian would claim to be quite as good a democrat as a British democrat, if not better; but the Russian idea of democracy is entirely different. We think of it as government of the people, by the people, for the people, and with that ideal goes all the paraphernalia of propaganda, speechmaking, a free press and controversy. The Russians attach more importance to economic equality and the absence of privilege and class. It may be that we will be able to educate them to our views, and I am sure that they will do their best to educate us to the Russian conception of democracy.”

I again bring out the fact, Mr. Speaker, that there must be dealings and friendship between the nations of the world, and the settlement of differences across the conference table. There will always be differences between peoples. We will never come to a complete solution. The problem is to keep the hotheads, these days, from precipitating the world into another war.

Looking at the past, probably we should say to those leaders in the Union of Soviet Socialist Republics who are over-hastening the development of Russian from a feudal state to a utopia, regardless of the lives of millions; probably we should say to them that Heaven is not reached in a single bound, but we build the ladder by which we rise, from the lowly earth to the vaulted skies, and we mount to the summit round by round. In the same way, Mr. Speaker, we can say to the captains of industrial empires, the heads of great corporations and cartels in the world who tolerate a form of democracy only as long as their profits are inviolate; we can say to them “What profit a man if he gain the whole world, only to lose his soul.”

In essence, both groups are materialistic and have not great respect for the rights and freedoms of their fellowman as exemplified in Christian and humanitarian movements and beliefs.

There will be one satisfaction, if a third world war arrives, that we can derive out of such a holocaust, and it is this: The modern weapons of destruction — the atomic, hydrogen and cobalt bombs — are all-encompassing. The rich and the poor, the lowly and the mighty will get the same desserts. King and pauper alike, in every nation, have the threat and fear of atomic destruction over their heads, these days. This great levelling by the fear of the destructive possibilities of the atom should make everyone vitally interested in the removal of the threat of atomic war, and the use of this new energy for peaceful pursuits.

The Government of Canada is to be commended for its efforts and the results achieved at the Chalk River Plant, Mr. Speaker. It is definitely a

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very fine step in 'atoms for peace'. Canada can take pride in the development of the cobalt bomb for the welfare of mankind. We, in Saskatchewan, can take great satisfaction from the fact that one of the first, cobalt bombs used in the treatment of cancer is in the University of Saskatchewan. Recently, we heard over the news that the Federal Government in Canada will build an experimental atomic power plant. Some \$15 million is set aside, Mr. Speaker, towards that end. This is another great stride in the direction of 'atoms for peace'.

Great Britain has announced, some weeks ago, a comprehensive atomic power plan, and I would like to quote from the 'Daily Mail' of February 16, 1955, showing the scope and magnitude of their plans. The paper states:

"Britain decides to go atomic. Huge power plan opens new industrial revolution. World has nothing to equal it."

And in small print, Mr. Speaker, and I quote:

"The whole lot of us must feel a little overwhelmed as we peer into a future dominated by giant atomic power stations striding across Britain, giving us light, heat and power and relieving the miner of his toil. Our future as an industrial country depends upon the ability of our scientists to discover the secrets of nature and on our speed in applying the new techniques.

"But supposing we hadn't the scientists? So far there has been nothing wrong with either their ability or speed. The atom was first split here. The programme announced today in advance of anything in the world is due to the work of Sir John Cockroft and his brilliant team. But we shall not keep this lead much longer unless we begin at once to train a new race of atomic scientists, technicians, craftsmen and mechanics, not merely to take the places of their predecessors, but to man a rapidly growing industry. A generation ago many a boy wanted to be an electrician. His son's ambition will be to become an atomic scientist or, using the word that is common in Britain, today, to become an atomician."

The lad's prospects are dim and we are going to find out why, Mr. Speaker.

They deal with the subject of teaching:

"We must begin in the schools with the ABC of science and mathematics; but the grim truth is that scores of schools have closed their departments because there are no science teachers. This is not a sudden shortage. Back in 1938, there were 1,000 vacancies for science masters, of which 225 remained unfilled and 254 were inadequately filled. Since then things have gotten worse. In 1960, says the White Paper, the first two nuclear power stations will be working, but also by 1960, it is estimated that the grammar schools will be 2,300 science

masters short of their needs.”

Mr. Lloyd, the Cabinet Minister who has the handling of the atomic programme in Britain, states that:

“He hopes to see a constructive period of co-operation between public and private enterprise. One way of doing it would be for large firms to offer generous scientific scholarships at schools and universities as they do in America. It would pay them to do so. The government should also devote very much more to technological education, which, in comparison with America and Russia, has been neglected in Great Britain.”

And speaking of more power, Mr. Speaker, there is an element of doubt as to whether the atomic energy programme is economic in Canada at the present time. The station that is going to be built in Ontario is experimental. Let us see what the British plan is:

“The enterprise is part of the Chancellor of the Exchequer’s promise of doubling the standard of living in Britain in twenty-five years. A White Paper on the scheme, issued yesterday, says that 12 atomic stations to be built will be supplying significant amounts of power to the national grid in five years; but the scheme is cumulative. As the years go by more and more atomic power stations will be started, until, in twenty-five years, nuclear generators will produce, roughly, half Britain’s power.

“Last night experts were unwilling to make firm forecasts, but the technical staff of the Atomic Energy Authority believe that costs to the consumer will come down very rapidly. New processes are being developed far superior to those now in use.”

The cost factor is brought in in another item, Mr. Speaker.

“Already the cost of atomic electricity is roughly the same as for that produced by coal. The cost of coal is increasing; the cost of atomic energy is dropping as better techniques are found. By 1965, the generators should be paying for themselves. By 1975, we should have power stations in Britain producing the equivalent to power of 40 million tons of coal a year.

“According to figures from the Atomic Energy Authority, one ton of uranium now can do the work of 10,000 tons of coal. Sir John Cockroft, Director of Research, believes that in the very near future this can be increased ten-fold. An entirely new system being developed at Harwell may easily mean that one tone of uranium will, in a few years, be able to produce the same energy as 1,000,000 tons of coal.”

Mr. Speaker, we have a tremendous future. We look back on 50 years of progress in Saskatchewan, and what the future holds must be tremendous. If the nations can settle their differences peaceably we can look forward to tremendous progress within our lifetime.

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The people of Britain are enthused, as are our Canadian people, over the wonderful new world that could be opened up if nations could tolerate and trust each other. If the efforts of these nations could be turned to 'atoms for peace' Utopia, or heaven on earth, would become a near reality as it is possible for the powers, wisdom and goodwill of man to produce.

In summing up, Mr. Speaker, it is imperative that we urge the Government of Canada to take every means possible to bring about peaceful co-existence among nations. As a step in the right direction, let Canada take up the offer of the U.S.S.R. and encourage other nations to do likewise, to engage in international sports, exchange scholars and delegations of agriculture and industry — yes, and to exchange M.L.A.s and M.P.s also. Let us use every avenue possible to get the nations of the world to a greater understanding and need for each other to that end, the brotherhood of man.

Before sitting down I would like to refer to the 'Free Press' of March 25th. Evidently disarmament talks are proceeding at the present time, and the heading here is: "Russian Thaw breaks jam at Arms Talk":

"Soviet Russia, in a surprise reversal of the five-powered disarmament talks, has put forward new proposals quite similar to the western programme for reducing nuclear and other arms, sources close to the United States delegation disclose to Associated Press, Thursday.

"Western officials were optimistic that the Arms Conference now may make some progress, but skeptical as to whether the Russian proposals were backed by good faith or merely a front for propaganda purposes.

"Informants said Russia's plan calls for step-by-step cuts in both nuclear and conventional weapons, such as tanks and planes. It would result, if carried through, in the scrapping of hydrogen and atomic weapons."

There is a hope that the great nations of the world can begin to get together. I believe the threat and the fear is beginning to make many of them think more rationally than they did in the past. We see also an article here by Mr. Pearson: "Won't fight for Matsu — Canada will not go to war over the possession of the Chinese coastal islands of Quemoy or the Matsus, Hon. L.B. Pearson, Secretary of State for External Affairs, told the Commons, Thursday."

Mr. Speaker, in closing, I would like to say that Britain has given the lead in recognizing China. I believe we in Canada should follow Britain's lead. It is urgent. There are faults in both of the great nations who are leading the world in the armament race, today. Both have their faults. It is necessary that the British Empire stand firm as a barrier in between these two great forces and probably, through the strength of the Empire, many of the smaller nations that are drifting and wandering today would get wise leadership.

So, Mr. Speaker, I submit the resolution appearing under my name on the Order Paper, seconded by Mr. Heming (Moose Jaw).

Mr. D.H.R. Heming (Moose Jaw City): — Mr. Speaker, all over this world today it is apparent that men who think are apprehensive of the general international situation.

If you will recollect the last time I was speaking in this House in the Speech to the Throne, I made some mention of our uranium deposits in the north and also of their potentialities in the future. A few days after that I received a letter from a minister of a United Church in a small village adjacent to the city of Moose Jaw, that I would like to read to you. He writes:

“I was thankful for the thoughts you expressed in Regina, the other day. I wonder if there should not be some control over what is to be used for the benefit or the destruction of mankind. Look up Luke 19; 41-43. I feel that judgment is awaiting us and the world if we are not faithful to the trust of guarding this atomic material for the benefit of mankind. Does the Saskatchewan Government have complete control over these deposits? There would be a thrill go through this old world if it got around that Saskatchewan would refuse under any conditions, over any amount of revenue, to allow this atomic material to be used in making bombs.”

I was quite impressed to get this letter from a man serving as a minister in a small church, ordained to perpetuate a moral way of living, a man who evidently believes in the Bible and figures that it speaks in an unambiguous voice. Being an unfailing source of moral support and guidance, it could and should lead men into avenues of practical, altruistic purpose.

The reason that I was somewhat fearful of the potentialities of our deposits, was because, last December, in ‘Time Magazine’, which is one of the most conservative publications of America, there was published an article reporting the presenting of a paper to the French Academy of Sciences, written by a physicist named Charles-Noel Martin, and sponsored by the Nobel Prize-winning Prince Louis de Broglie, and entitled “On the Cumulative Effects of Thermonuclear (Hydrogen) Explosions on the Surface of the Globe.” Here is what Martin says in regard to the H-Bomb:

“1. It forms vast amounts of nitric acid out of atmospheric oxygen, nitrogen and moisture. There may be enough of it to acidify the rain over large areas, with adverse effects on vegetation.

“2. When exploded on the ground, an H-bomb throws into the air something like one billion tons of pulverized material. Floating for years in the upper atmosphere, the dust may cut the strength of sunlight. It may act as condensation nuclei stimulating rainfall, and thereby changing the pattern of the winds. Such modifications of climate will not necessarily be good.

“3. Neutrons from an H-bomb turn atmospheric nitrogen into large amounts of radioactive carbon-14, whose half-life is 5,600 years. Absorbed by plants, it eventually enters the tissues of animals and humans. Results: unpredictable.

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“4. An H-bomb raises appreciably the general level of the earth’s radioactivity. Even a slight increase is likely to have important genetic effects. Experimental reasons for fearing this outcome, said Martin, are well established.

“He is sure that the world’s weather bureaux, for instance, have been told by their governments to keep out of hydrogen discussions. The best he has got so far is a carefully-worded joint statement by Henri Longchambon, France’s Under Secretary of State for Scientific Research, and Francis Perrin, High Commissioner of Atomic Energy. Said they: ‘The dangers that can result from a multiplicity of atomic-bomb explosions, particularly H-bombs, are real’.”

The writer of that article ends up with one paragraph speaking to the Atomic Energy Commission of the U.S.A., and he says this:

“The Atomic Energy Commission owes it to mankind to disseminate knowledge as widely as possible to stimulate its open discussion. To permit mankind to stumble onto a course of action which may end in a slow but irreparable decay of the human race constitutes the gravest moral responsibility any man or group of men can conceivably take upon themselves.”

I was greatly surprised, Mr. Speaker, seeing that published in one of our predominant magazines, and it is evident that they are cognizant of the progress or threat of the destruction of mankind.

At the same time as the development of uranium deposits, there has also been developed a type of electric brain — what they call the electronic brain. These machines are capable of making computations, are capable of almost making predictions that are, to the ordinary man, almost unfathomable and hardly understandable. The best machine they have in the world today, when put to work to figure out the potentialities in connection with war, said this: There have been, since 3600 B.C., 14,513 wars of a minor and major character, during which time there were 3,000,600,000 people killed, either by war, or by diseases following wars. They say that using the destructive power of the most powerful hydrogen bomb in relation to its loss of human life, if permitted to be used, would see one million and a half of this world’s population killed. Incidentally, they figured out that Canada would lose 8,000,000 people if atomic war broke out. They also figure the average chances of not having a war; if the precepts of the United Nations are carried out, why there will be no war.

As was stated by the mover of the motion, as far as we are concerned here, the writer of that letter asks if we can do anything here in Saskatchewan. I advised him that on any national emergency, the Government of Canada had full power for the good and welfare of Canada to take over any industry, or any undertaking, if they so saw fit. In this instance the Government of Canada has commanded that all uranium produced here shall be sold to them for a number of years yet to come. But, it is significant that our share of that uranium (there may be some going to other purposes) we are using to produce isotopes which are of benefit to mankind.

There was a report given, about a year ago, in an address to the Canadian Manufacturers' Association by Dr. D.A. Keys, Chairman of the Atomic Energy of Canada at Chalk River. It is interesting to know what this Chalk River pile, or reactor, can do and how it is made. It is only eight feet in diameter and 10-feet long and that amount of space, with 176 plutonium rods encased in aluminum which produce millions and millions of tons of energy in the form of heat which is expendable, because they have now got to the position, almost unbelievable, whereby utilizing what they call a breeder, they can produce more heat than they use, in perpetual motion, as it were, and it is indeed wonderful to conceive of what is coming in the future. In this reactor they have tested about 250 different materials and produced the strangest reactions. They have put gold into this reactor at Chalk River and it comes out mercury. They put tellurium in there and it comes out radioactive iodine. They put in common salt and it comes out emitting radioactive rays which are more powerful even than the biggest X-ray machines we have in the world today.

They are using this reactor down there in the genetic field, in which one very interesting experiment was undertaken by Dr. Spinks (I think it was), of the University of Saskatchewan. He had a complaint that the heads of barley as they ripened, bent over and, therefore, were harder to harvest than wheat. So he made some inquiries, and he got an isotope in order to treat the seed of this barley, in order that the barley may have a mutation in its life growth so that the barley would stick its head straight up. He has got that strain now, so that the barley can now be harvested that much easier than previously. The potentialities in the agricultural and biological field of similar peculiar happenings are with us now, and will be very evident as time goes on.

The radiations from these power-produced isotopes have also many therapeutic applications. They are using them for the treatment of malignant diseases. They are using them for cancer in some of the hospitals, experimentally, of course. Also a number of elements have come through NRX and they don't know yet what can be done with them after atomic change has taken place. It will possibly be many years before we find out what is the ultimate of our NRX farm in Chalk River. The Government of Canada is, however, making wonderful steps in order that the people of Canada and elsewhere receive some benefit from the production of our uranium.

Referring back to the letter that I received from this man in this little village, he said read Luke 19:41-43. I did read it, sir, because it was an instruction, and I thought there might be something in there that might be of some value — and I quote:

“And when He came there He beheld a city and wept over it saying, ‘If thou hadst known, even thou, at least in this thy day, the things which belong unto thy peace but now they are hid from thine eyes, for the day shall come unto thee that thy enemies shall cast a trench about thee and compass thee round and keep thee in on every side.’”

It seems that at times the Bible does carry words that convince people in certain ideas that they have. It is true that we keep that old Book in the house, oft times never look into it; but it is in regard to the verses quoted, or as further confirmation, that I would like to quote just a paragraph of what Napoleon wrote when he was incarcerated in St. Helena. He said:

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“Alexander, Caesar, Carl Magni, Charlemagne and I have founded empires but on what do these eruptions of our genius depend? — on force. Christ alone founded his empire on love and to this very day millions would die for him.”

Mr. Speaker, I commend the Hon. Mr. Pearson at Ottawa for the stand he has taken in regard to the relationship of war in association with Russia. He admits that we are so close to Russia if a war did break out that we would naturally be involved, and it does seem that some people have taken upon themselves unwarranted obligations in this regard. I would like to quote from ‘Time Magazine’ of March 21 last, what Secretary of State John Foster Dulles told the ‘Time Magazine reporter’. He said this:

We must, if occasion offers, make it clear that we are prepared to stand firm and, if necessary, meet hostile forces with a greater force we possess. Such force consists of U.S. sea and air power now equipped with new and powerful weapons of precision which can utterly destroy military targets.”

It is very evident that there are some in this world who are ready and prepared to participate in warfare, and I think, Mr. Speaker, that the motion will possibly give some aid and direction, as to how we feel here, to the members of the senior government in this country of ours, so that we shall, after all, have peace within our time.

Mr. J. Walter Erb (Milestone): — Mr. Speaker, I want to congratulate the mover and the seconder of this motion for the fine contributions they have made on a subject that is of the greatest significance in respect to the survival of the human race. It is true that, through the centuries, plagues have succeeded in wiping out countless millions of people throughout Europe and Asia. It is also true that, through the centuries, thousands of wars have decimated populations throughout these continents and left in their wake economic ruin and tribulation.

The universal prayer of the people in those days was that God might protect them from pestilence and war. But these scourges at their worst never completely threatened the survival of the human race. It was merely a condition to which we rather prosaically now refer as ‘the survival of the fittest’. Through the centuries civilization lived in constant dread and fear of the spectre of either one or both.

The fear of part population destruction by plague has been largely overcome by the application of brilliant discoveries of Pasteur, Koch, Semmelweiss, Fleming and, indeed, the acceptance of the theory of immunization and antiseptic technique which, in effect, became a two-edged sword against the killers of civilization, mankind was spurred on in an effort to conquer all the diseases both functional and pathological in order that a maximum number of people might live their three-score years and ten. That this has been a rewarding quest is indicated by the statistics in respect to the incidence of the factors involving the longevity of the human race. Incidentally, bold experiments have been made, and will no doubt continue to be made, to find the “elixir of youth”, to extend the span of man’s days beyond the psalmist’s assessment:

“The days of our years are threescore and ten and if by reason of strength they be fourscore years, yet is there strength, labour and sorrow, for it is soon cut off and we fly away.”

Whether the extension is possible is conjecturable; whether it is desirable is debatable; but what is of all importance is that all mankind be permitted to live out their days in peace and, insofar as is possible with the vast resources of the earth, in economic and social security. To this end many lives throughout generations have been dedicated. The pages of Biblical, scientific, political and economic history are replete with names of great men and women, some of whom in their day suffered indignities, torture and imprisonment for espousing what they believed to be a better way of life. Yes, and even One, Mr. Speaker, was nailed to the Cross.

Yet, running like an abhorrent thread through an exquisite piece of tapestry were and are the forces of evil, the base emotions of those of humankind whose method of acquisition and settling disputes was and is based on the promise of force. The tragedy has been, and is, that the warlords throughout the ages have succeeded in making that premise appealing by glorifying war. And herein lies the baffling paradox of human emotions — on one hand dedicated to the uplifting of the human race, and on the other bent upon its destruction with cold and ruthless precision. I don't know how many wars have been fought, Mr. Speaker, and I don't think it really matters now. What really matters is whether the last of all wars has been fought, or whether it yet remains to be fought. In the light of developments this is of grave concern.

It seems to me that, up until now, the forces of evil and the forces of good have pretty well run an even race, and that is so because the potential of evil and the potential of good are part and parcel of the same thing, in involvement of dual personality. The physical laws of Nature are subject to the impulses of the dual personality of man, and eminently so in the application of physical and chemical sciences for good or evil.

We are now at the crossroads. There are some who may (and perhaps with some authority) that we already have reached a point of no return. I do not believe so, although I think we are quickly moving thereto. I shall not labour the House, this afternoon, in giving in chronological order the weapons that have been developed from time immemorial to the present day. Suffice to say that the first was a club, which, limited by its design and manner of manipulation, was able to kill only one person at one time, if properly applied. Mr. Speaker, the Humboldt Indians and the Regina Pats could have, if a hassle had developed in their last game, put on a demonstration or an exhibition of the type of warfare that was waged by the first neanderthal man. I submit that would indeed have been of a much more classical nature than the crude riot in Montreal.

However, the weapons today at the command of Soviet Russia and the United States, if unleashed on an all-out scale, would, as my hon. friend from Moose Jaw stated a moment ago, kill millions of people outright; and those people who remained would succumb to the effects of atomic radioactive fall-out. Already the fall-out from recent atomic and thermonuclear explosion tests are causing many scientists to wonder whether we have reached the point of no return. If these tests are continued, it is quite conceivable that the processes of destructive radiation will begin (if they have not already begun), and they will

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continue, as my friend also pointed out, because even the half-life of carbon 14 is 5,000 years. The effects will continue through many years, and therein lies the immediate danger.

I should like to quote an article that I read in the 'Leader-Post' not long ago, by a Professor Frederick Sobbie, one of Britain's first atomic scientists. He said:

“That hydrogen bomb experimental explosions are getting out of hand. The blasts are fouling the air with radioactivity, it is nonsense to say it is harmless,” Sobbie, who shared in basic discoveries of atomic science and won the Nobel prize for chemistry in 1921, said in the 'Sunday Chronical' interview.”

Radioactive gases can and may devastate the natural resources of the country side and bring economic chaos and ruin. Following the sixth atomic tests at Yuca, a professor from Kalamazoo, Michigan, teaching at Western Michigan College, says this with regard to the fall-out:

“A physicist at Western College says radioactive fall-out from atomic bomb tests in Nevada has at times increased Kalamazoo's radiation count from 46 to as high as 800 a minute.”

I would point out that Kalamazoo, Michigan, from Nevada is several thousand miles:

“Dr. Heim Kuglak, associate professor of physics, said the increase 'represented danger signal to me'. Dr. Kuglak said of his investigation of Kalamazoo air, March 7th, at the time of the latest atomic tests at Yucca Flat, Nevada, the morning the first device was exploded he got a normal radiation count of 46 a minute. By 1.00 p.m. March 9th, the average count had reached 65 and by the morning of March 10th it had reached 200. Similar investigations after the March 12 test at Nevada disclosed basically the same results. However, during the last experiment, Dr. Kuglak checked the pan of snow and found that 2½ days after the test the count of the filtered-down snow reached 800. Asked if it was dangerous, Dr. Kuglak replied, 'I wouldn't go out and sit in that snowbank and I wouldn't boil it down to drink. A reading of ten times normal radiation around 500 in Kalamazoo is a danger signal to me'.”

Then from Pasadena, California, Dr. Linus Pauling, Nobel prize-winner in chemistry said Monday — that is, with regard to persons susceptible to T.B. and leukemia in respect to atomic fall-outs:

“Such persons might be pushed over the line”, Dr. Pauling told the press conference called to explain remarks he made in his speech last week. He had recommended halting all nuclear tests by the United States and Russia because of what he called the world-wide effects of radio-active fall-out. He repeated Monday that no place is safe because the atomic clouds drift around the world. He

hazarded his opinion that shortening of the life span might be one effect, but he added that the full effects might not be known for 150 to 200 years.”

Now, Mr. Speaker, with respect to the effects of nuclear fall-out. I would like to take just a moment to read to members from the Science section of ‘Newsweek’ of March 21st; it is captioned “The Great Leveller”:

“When that most unfortunate fishing boat, the Lucky Dragon, limped back to Japan just a year ago this week, she carried more than a contaminated crew and a load of radioactive fish. On her decks, it now appears, was a telltale clue indicating that the United States had successfully fired the first model of a truly infinite weapon on March 1, 1954.

“Among the many by-products of a nuclear explosion, the Lucky Dragon had also been sprinkled with U-237, a neglected orphan in the family of uranium variants (isotopes). Last fall, this fact was published by Japanese scientists as an obscure, small item in their unclassified analysis of what they had learned from the vessel’s radioactivity. Since January, when the report first reached them, American scientists who work outside of the high walls of official security have been patching together a concept of an entirely new departure in atomic-bomb making. Their tentative conclusion is that there is a Superbomb that dwarfs the H-bomb just as toweringly as the H-bomb once dwarfed the A.

“The presence of a considerable trace of U-237 in the fall-out could mean only one thing — that plenty of cheap natural uranium, most of which is U-238, was somehow fissioned along with the H-bomb. The reasoning: The H-bomb’s triggering core, an A-bomb that is composed for the most part of U-235, would generate little or no U-237 as a by-product of its fission, while the hydrogen-type material, when it underwent fusion, would leave none.

“In all likelihood, the natural uranium is packed around a regular H-bomb. Thus the bomb’s life of a few millionths of a second begins with U-235 fission, which causes hydrogen fusion, which, in turn, creates certain particles — fast neutrons — that set off another round of fission in normally sluggish natural uranium. The result is an H-bomb which can spark as many bargain-basement A-bombs as the weapons-maker cares to add.

“Though none blurted out his grim hunch, a few scientists in recent months have signalled their new knowledge by carefully referring to ‘it’ as a Super-bomb instead of an H-bomb. Significantly, too, they have identified the bomb’s vast fall-out as a result of atomic fission rather than hydrogen fusion. The new monster’s name, most aptly, would be ‘U-bomb’. It represents the realization of all the wildest nightmares of atomic warfare.

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“The March 1, 1954, U-bomb test had a power equivalent to more than 14 million tons of TNT (14 megatons), at least half again that of its 1952 H-bomb predecessor. By tacking on more natural uranium, the U-bomb could, some believe, be pushed simply and cheaply into the 100-megaton range and beyond.”

Out of all this scientific data and speculation two realistic and terrifying facts emerge. First, if no atomic or thermonuclear war develops and further tests are carried out, the accumulation of radioactive fall-out would undoubtedly affect human genes, the tiny carriers of heredity, producing grotesque freaks. That has already been demonstrated. It would follow then that all life, plant and animal, would suffer in the same manner because its hereditary mechanism would be similarly altered. This is, in my opinion, as horrible to contemplate as the second fact. It now appears certain that the H-bomb is in reality a uranium bomb, whose manufacture is simple and cheap and which can be made in power equivalents from 14 megatons to 200 megatons and more.

One of these bombs represents an explosive force infinitely more than all the explosives that have been used in all the wars fought throughout the world, using explosives of any nature. Is it any wonder then that people are showing no concern over civil defence; that they are becoming increasingly fatalistic? Indeed this feeling was even widespread before the civil defence authorities of the United States declared that all-clear signals were ridiculously obsolete and, in view of the bomb's unlimited potential, those reassuring tones would never be sounded again. In view of the fantastic explosive and radioactive potential of the U-bomb and its simple and cheap construction, it is certain that neither the U.S. nor Soviet Russia can boast of having the lead again.

I want to halt a moment to point out again the situation of despair that the information we have at hand would lead us to believe we are in. I said, in view of the explosive and radioactive potential of the U-bomb and its simple and cheap construction, it is certain that neither the U.S. nor Soviet Russia can boast of having the lead in super-bombs. That is for the simple reason of what I read a moment ago of the simple and cheap method of the manufacture of the uranium bomb by using cheap natural uranium as the casing of the hydrogen bomb, and the extreme lengths to which they can go in producing greater and more powerful weapons. I would like to quote again:

“The secret of the U-bomb was lost the moment tell-tale U-237 was blasted into the atmosphere. If the Russians had not been working along such lines already, they obviously did not miss the implications of the Japanese reports.

“The ready adaptability of a U-casing to any H-bomb probably shaves the U.S. lead in super-bombs down to zero.”

It has frequently happened in individual human experience when one has come to the end of the rope, when all understanding, human ingenuity and ability to adjust to the situation fails, it has meant the end. On the other hand it has, I believe, more frequently meant the most glorious unfolding in human experience. Such I submit is the situation today. Certainly at the

moment it is one of despair, and present world diplomacy is aggravating it, because the problem is bigger than and completely out of touch with diplomacy as we know it. For as is witnessed by past experience and throughout history, diplomacy is an international poker game, and you cannot play poker with the human race as its stake, and win.

No, Mr. Speaker, the establishment of permanent peace cannot and will not be achieved by diplomatic negotiations between two conflicting ideologies, inflexible and unrelenting as they are. There will always be the interminable jockeying for position, and even though the principle of co-existence were accepted by both, it would by no means guarantee peace. It would at best be an uneasy existence fraught with uncertainty and doubt, because it would be based on a materialistic premise.

What we must have, and have now, is permanent peace and no less! I am persuaded that everlasting peace cannot be negotiated; that it must come through the application of the things of the spirit, those abstract yet eternal verities of love, unselfishness, honesty and truth. This is the great concept of all the ages for the realization of the fullness of life of mankind as expressed by Paul to the Philippians when he says:

“Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue and if there be any praise, think on these things.”

Mr. Speaker, I believe it is on this premise and on no other, that everlasting peace will be achieved. It means finally the subjugation of material things not to the will of man, but rather to the will of the Divine spirit within him. Millions of people of that persuasion, of every race and creed and colour have dedicated their lives to this end that universal peace and goodwill may come and ever abide. This must become the persuasion of world government. It must become our persuasion, so that in our day and generation we will have made our contribution to that kind of world to which the human race aspires.

Mr. Speaker, I shall support the motion.

Mrs. J.E. Cooper (Regina City): — Mr. Speaker, this is one motion to which I feel I must speak, and I would like to try to express what, I feel, is in the hearts of most women who have ever given any serious thought to the possibility of an atomic war.

Warfare at any time is a threat to family life, and atomic warfare presents not only a threat to the home and the family, but it presents a threat to every child that we bring into this world. It is woman's special mission in this world to create and to preserve life, not to destroy it, and in the dangerous situation we find in the world today, in the precarious balance between peace and war, I feel that in all good conscience no woman can remain silent.

At the conclusion of the last war, I attended a church service. It was a thanksgiving service that the war was over, and I heard a minister stand up in the pulpit and say how very thankful we should be and how grateful

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we should feel that the secret of the atomic bomb had been discovered in the western hemisphere, rather than falling into the hands of an uncivilized enemy. I came away from that church service feeling more than a little sick, because I could not help asking myself the question — Who were the uncivilized enemy? We had the atomic bomb, and what did we do with it? It seemed to me the only difference in the end result was that there were thousands of little innocent Japanese children who met a horrible death instead of thousands of our innocent little children who were lying in their graves; and surely in the eyes of the Creator all little children are equally precious. I do believe, when the history of this age is recorded, it will stand to our eternal shame that we in the western world, we of a white race, we of the supposedly civilized and Christian nation, were the first to unleash the atom bomb on civilians, on innocent civilians, at Hiroshima and Nagasaki.

Since that time there has been a sort of a grisly race going on all over this world as to who could produce the most ghastly weapons of war and the most horrible methods of mass destruction. Where is it all leading to? — except that we will have to continue to live in a world of tension and hatred and fear.

Science has unleashed forces in this world that we neither understand nor do we know how to control. We find ourselves now in a situation that was described by Mr. Churchill recently, when he was speaking of the destructive power of the atom, as the ‘monstrous dilemma of our time’. Science has discovered the atomic power before our civilization has developed sufficient sense of moral responsibility to be trusted with that secret. It seems to me the dilemma we are in might give new meaning to the Biblical story of Adam and Eve where they tasted of the forbidden fruit of the tree of knowledge before the Creator felt they were ready, and they lost their Eden.

It also seems a very sad commentary on our time, if we listen to the voices that are calmly discussing the possibility of atomic warfare, that the greatest deterrent to the use of nuclear weapons today is not our Christian philosophy nor our respect for the sacredness of human life, but rather the uncertainty of the powers-that-be on both sides of the Iron Curtain, as to which has the most powerful weapons and who could destroy each other first. Surely the God-given resources of this world were means for the benefit of mankind and not for the destruction of civilization. There must be a better way of life than this. And even testing these nuclear weapons, as has already been pointed out, presents a danger to generations yet unborn. I have some clippings, too, but as they have already been read I won’t repeat them; but they are enough to make us realize that the scientists all over this world are urging (and this article says ‘urging with some desperation’) that people wake up to what they are about and do not use any more tests for atomic weapons till we know something more about the effects.

Over the last years we have been putting our most brilliant and our most talented young men and women into scientific research for the purpose of warfare, and I think it is long past time that we should be turning our energies towards the pursuit of peace. Not only have we been putting our resources and our most brilliant scientists towards producing weapons of mass destruction, but, if we continue to have to put so much of our financial resources into armaments, we will eventually lose the very things that we are fighting for. There has to be a start somewhere, to put an end to this armament race, and we of the western world who were the first to use the atomic bomb, I believe that we have an added responsibility in this matter.

So we would urge the Government of Canada to intensify efforts towards world disarmament and towards the abolition of nuclear weapons. As the other members have said, we do commend the Minister of External Affairs, Hon. Mr. Pearson, for the efforts he is making in this direction.

While disarmament and the destruction of nuclear weapons is the first step to reduce world tension at this time, it is only the first step towards peace. We will never achieve a lasting peace until we can find a better and a fairer method of distributing this world's goods. We must arrive at a place where there are no longer two classes of countries, privileged countries and underprivileged countries. For whether we like it or not, science has brought the world to our back door, and hungry people of the less privileged nations have had a chance to look in our window and see what we here in this country enjoy, and they are asking a lot of questions. We of the white race, after all, are a small minority in the world today, and I think we are a very short-sighted minority at that. For how long can we expect to dominate the world and to protect our privileges unless we are prepared at the same time to extend at least some of those privileges to people of other races and other countries.

The emphasis today should be not on an arms race but on more generous support for things like the Columbo plan and financial support for those agencies of the United Nations such as the World Food and Agricultural Organization, the World Health Organization, UNESCO, the World Monetary Fund, etc., because these are really the peace-making agencies of the United Nations. It is high time that we turn most of the brilliant minds in this world today towards working out some solution for more freedom in world trade and towards helping underprivileged and underdeveloped nations to get on their feet.

A civilization that has the brilliance to produce nuclear weapons, must surely have the ability to solve the problems that stand in the way of peaceful co-existence. We have the brilliance, Mr. Speaker; but what we lack is the moral courage and the Christian spirit to put the emphasis where it should be. If we fail to develop that moral courage and that Christian spirit, then our civilization deserves to perish, because there will be not very much left in it that is worth preserving.

I take much pleasure in supporting the motion.

Mr. Harry Gibbs (Swift Current): — Mr. Speaker, I feel it is my duty to say a few words on this resolution. As the members of the House know, for a number of years now I have always been opposed to all kinds of warfare. I hope I always shall. We are striving for a peaceful world.

The speakers before me have outlined what some of the most eminent people of the world have said about the atomic-nitrogen-nuclear weapons. Well, I am just going to speak to the plain ordinary person, the plain guy and everyday fellow; and that is what we have got to deal with, because our world is composed of the ordinary man and woman and, in fact, the ordinary workers of the world. When we see these things going on that are going on today, Mr. Speaker, those of us who have taken part in previous wars of our day to fight for democracy, what have we got for it? I believe one of our speakers spoke about the Second World War as a war to end war. Well, in the first Great War we went out there to end all wars, but we didn't do it, and evidently the second Great World War didn't do it either.

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When young fellows are going out to war (and women too in this age of ours) we have played the bands and we go down the street and we are patted on the back to go to war to fight. It is true. And then when we come back we leave thousands and hundreds of thousands of our comrades behind lying in graves all over the world, and we have been out there to fight to end war. We are glad to come back and meet one another. We like to talk about the old times. We like to talk about our old battle scars and one thing and another, and we are really glad to meet one another; but what does it amount to, Mr. Speaker? It doesn't amount to a thing because after all is said and done, we would like to live. The ordinary man and woman in this world likes to live, and we want to live under comfortable and happy conditions. And that, to my way of thinking, Mr. Speaker, is why we want to go to fight wars in order to end wars.

Now we are coming to the hydrogen nuclear weapons and bombs of every description. I am not going to tell you, because some of our speakers have already told you, what some of these esteemed scientists of the world have told you. We know right down in our heart what the plain people think about this. When we saw in World War I and World War II the devastation, the cruelty, the treachery, the slaughter that went on throughout this world, where battle fields were saturated in blood and stunk for years. I can even take you back to the Confederate wars of the United States. We don't know — the average people of this country don't know the pestilence of war, because we have never tasted it on this continent. We have never tasted warfare on this continent for quite a number of years anyway. When we see these things going on and when we see the scientists and different nations are building up — today they could absolutely eliminate the world with a few bombs — it is a thing as I say, as speakers before me have already mentioned, I don't know how in the world people can be passive about these sorts of things. We cannot be passive about it because if we start to drop these hydrogen and nuclear weapons we are all going to go. There will be nothing left for us to love or cherish in this world of ours; nothing at all, Mr. Speaker. It is up to each and every individual in this Canada of ours and all over the world to support a pact for peace, and when I say that I mean a peaceful peace, not dealing in weapons of destruction and devastation, but dealing for that in which we shall all get a better standard of living; we shall have better homes, better lives all throughout, and absolutely that is what we are all trying to get.

I remember, Mr. Speaker, a few days ago, when we had this 'Peace Lobby' right in this building and what impressed me was a little girl, 14 years old. I believe she came from Kamsack. She got up there and spoke for children of her age, the young people, and it impressed me — and I am sure it impressed everybody that was there at that meeting — to hear that young girl get up and speak about the ravages of war and what is going to become of a young generation, the young people of her age today. Well, it made me think — of course, I have thought about these things many, many years; and I am sure it made everybody think when we heard that young girl speaking the other day.

The other day, Mr. Speaker, I got a letter from a lady (I don't know her) from Glasgow, Montana. Evidently she heard my speech in the House last week, or a couple of weeks ago, and she was complimenting me on this speech, of being sincere and how I spoke then of the abolition of atomic weapons and so forth. I take a pride in getting that letter from this lady. I don't know her from a bale of hay; but I know that she was sincere in what she said, and evidently she thought I was sincere in what I said, and I can assure you, Mr. Speaker, that I was sincere in what I said. When you get letters like that from

people south of the line, about speeches going out from this Chamber, you know distance sometimes means nothing. We are right together; we are all mates, and she mentioned in her letter — she says, “I only hope that the people of our times can see ways and means of even trying to get rid of these test grounds over in the United States” where they are dropping these infernal weapons right now. As other speakers have pointed out, we don’t know. We may be sitting here smug and smooth right in this Chamber, but we don’t know what is going to happen as far as the radioactivity from these infernal weapons is concerned. We may get a touch of it one of these days. I remember in the first great war when they used the chlorine gas, and I know that Mr. Speaker and Mr. Brockelbank and a few of the boys on the Opposition know what I am talking about when this gas started to roll around. Well, we had the old masks on and we thought, Oh, well, it’s not much you know — nothing; but today, Mr. Speaker, there are lads who were in the first Great War who are getting their lungs and their hearts eaten out with the gas they took in 1914, 1915 and 1916 over in France, and we didn’t think much about gas in those days. And that is a fact and I believe they will bear me out in that statement. Even today from the first Great World War there are lads suffering from gas treatment that they got over in France in those days, and what is this now when we get atomic warfare.

We all know, when the atomic bombs were dropped on Nagasaki and Hiroshima, what it did to those Japanese people over there. They may have been our enemies. That doesn’t matter. We have got to get down to realistic facts. After all is said and done we are all supposed to be brothers under the skin. If we are to believe in Christianity and this Christian world of ours, we are all brothers under the skin. While it is true they throw one against the other, nation against nation, colour and nationality have nothing to do with it in warfare — and what for? What for, Mr. Speaker? Today we are finding out the results of those people who were bombed in Nagasaki and Hiroshima. Sure they may be Japanese; they may have been our enemies; but if it should happen to us today, what is going to happen if they do drop those sorts of things on us? We can have crippled children, unborn children, everything else that comes into this world of ours, practically useless. Well, if that day comes, Mr. Speaker, we may as well all dig a hole and get down and that will be the finish, because that will be about what is going to happen anyway.

We sit here today in this Legislature to legislate to do good for the people of our province and the people of Canada — and why are we sitting here? To make things better. At least that is what I think I am sitting here for — to make things better for the people of our time and the people that have got to come, and our province and country in general. Well, Mr. Speaker, I can’t see why this Resolution would not be passed unanimously by the members of this House, because we don’t want to see destruction and devastation. We want to build up. We want to create and build up a better living, a better life and all that goes with it. As I said, I am not going to speak very long on this motion because I think you all know, from past references, my attitude on a motion similar to what we have got on the Order Paper today.

I would say, however, and I am proud to say, that I understand that Saskatchewan is one of the leading provinces on the North-American continent to go after peace and the peace review, and I think that is a very, very good criterion. I think it is a good omen; and if we can only get people to think along these lines — never mind about the warmongers, never mind about the millions that they make in war; let’s get down to earth and think about our future and our children’s future and our children’s children’s future. Money

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Is not everything in this world, Mr. Speaker. True, I know it helps a lot, but it is not everything. It is not everything; not by a darn sight. If we can get our members in this House to come out and support motions of this kind to submit to our government, our major government and so on, then I think we are doing a good service not only to this province, but to the people of the world.

Therefore, Mr. Speaker, I am not going to read you any 'quotes' or anything at all. I am just speaking as the ordinary chap, a working chap, who believes that we all should have that decent standard of living and comfort and happiness which is coming to us; but I am sure that if we can prevail on our governments to dispense with these infernal weapons of destruction, then I think we shall have done a very, very great job. Because, after all is said and done, Mr. Speaker, you are getting on just as I am, and we have seen a lot of trouble and strife and turmoil in this world of ours. We are sick and tired of seeing blood-baths all over the world. I am sick and tired of seeing Canadians, Englishmen, every other nationality, lying there on battlefields, laying down their lives for something that we have never got, something that we have never got.

We pride ourselves in a democracy. All right, I think then that they should give us a little of that democracy for which we went out and fought. It is true we live in a country where we can speak freely, where we have the spirit of assembly and so on and so forth; but don't forget a few years ago right on our statutes in Ottawa, they had on our statutes that it was a crime to gather together and speak. I believe it was Bill 96, if I think right now; but, you see, even within our own Dominion there have been forces that would subjugate and humiliate the ordinary people of this country of ours. But I am proud to be a Canadian, proud to be in this country. I am proud of the things we are doing, and I hope that we shall see the day, and get out and still maintain and support, get out and support the suppression of ideas of using atomic weapons in warfare. In fact, as far as I am concerned, let's abolish warfare altogether. There is no place for it in our lives at all. The only place in our lives is for peace, happiness and prosperity, but warfare will never give them to us. It never has done and it never will do.

So, therefore, I am very happy, indeed, Mr. Speaker, with those few words to say, as you know, I shall support this very worthwhile motion and I hope it will be unanimous.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I did not intend to take part in discussion of this resolution, because I cannot conceive of anyone in this House who would be against any intensified efforts to achieve world disarmament by mutual consent. I cannot conceive of anyone who would not want an end to mass destruction, and I could not conceive of anyone here who would want other than that the marvellous new forces that are available to us, be made available to man to be used for our welfare and not for warfare. Those are the things deep down in the breast of all of us. I don't think there is a man or woman with a drop of Christian decency in him in the Dominion of Canada who does not want the same thing; nor in the great country to the south of us, nor in most of the nations of the world. But, unfortunately, there are some places where that resolution would not have much effect at all. Someone says, let's get down to the realistic facts; let's talk to the common guy on the street; but let's not forget that in some nations there is no common guy on the streets with whom we can talk.

It is easy for us in the Legislature, in the Dominion of Canada, and in the democratic countries which have that form of government under which we live, to get up and discuss these things as freely and frankly as we have done this afternoon, and condemn ourselves for using atomic energy when possibly we could have accomplished the same things without it. I would just like to comment on a few of the statements that were made.

I think the man who introduced the resolution asked the question ‘what about this rat’s race of armaments? What is it for?’ then he went on to answer the question, and he said that the problems we face today in the world are political. He said the test is whether the profits of corporations are to enhance the profits of individuals or whether they are to be used to the benefit of the state. That is the crux of the situation in the world, according to the member who introduced this resolution.

Then he went on to say that the next question in the world is racial. He said there are factions of industry, corporations and cartels whose only interest in democracy is that they can continue to fill their coffers as a result of the freedom we permit them. He says I would say to Russia “Heaven is not reached by a single bound,” and I would say to these corporations “What does it profit a man if he gains the whole world and loses his soul?” Those are kind and gentle words and they are full of meaning; but all of these kind thoughts will not find the solution to the world problems today, because in my opinion and the opinion, I think, of most people that give thought to it, the problem in the world today is not a political problem. It is an ideology. There is a battle in the world today between the forces of evil and the forces of good, and it is a battle for the hearts and souls and minds of men, and this battle will be fought to its ultimate end. It is a death struggle. I think it would be well to recall these, in attempting to assess the stand we should take in this world battle. Man was created and born for a purpose in life. He was made in the image of God. He was made and put on earth for a definite purpose and fulfilment of his destiny.

Christianity, you will recall, was born and flourished in the slave-bound colonies of the Roman empire, and for centuries it groped towards the light of freedom, a freedom that man may have an existence in which he could pursue that purpose in life for which he was created. If you trace the history of Christianity, you will find that it waged a great battle for the slaves in bondage — men and women were sold as cattle on the open market; or for those in economic slavery — the labouring man had no right. These hard-fought battles were won by toil and bloodshed in the factory — the battle that the labour man may have the right to strike, and the right to own property and the right to a fair living wage.

Likewise on the political front, the tremendous battle to replace the ancient forms of government, which was never a free association of men, in order to form a type of government that would offer the greatest assistance to man in his pursuit of his destiny; and the terrific struggles that have been waged down through the history of man, to create the type of government which we enjoy under the democratic system. When we are thinking what we should do and what we should not do, I think it is well to review those basic facts. We have a way of life that has taken centuries to attain. It has taken great effort and bloodshed to attain it. We have a way of life which permits freedom of assembly, of association, of religious convictions; a way of life that has taken centuries to accomplish; a way of life the world has never known before. And that is what is at stake in the world affairs today: Whether we are to

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surrender all of these things which down through the centuries Christianity has fought for in establishing our Christian form of democracy, and revert back to the bondage and slavery that it came from, because as surely as anything, if we should capitulate, we shall go right back to the bondage from which we have taken centuries to emerge.

I think we should keep our thinking straight as to the problems in the world today. The basic problems are two: one ideology which holds that man is supreme, and the other which says that man should be subjected to some human power. We could talk on this common ground to other people if those people have a form of government similar to ours. We could talk to the Russian people and to the Japanese people and to the Chinese people and to all the peoples of the world, on the same things that we are talking here. But, we must remember that, while we are professing to all these things, making every effort to prevent war, we must at the same time never lose sight of the fact that there are two camps in the world, and our foe is just as determined to conquer us as we are to defend our way of life. They do not respect weakness; they will bully their way into any situation. While we must work for peace and negotiate for permanent peace in the world, at the same time let us not condemn ourselves for building up the western world and the nations of the west in strength and unity that will deter any attack through thought that we may be weak.

I think it is well perhaps to keep some of those thoughts in mind and not be carried away by the one desire to have peace and to overlook the purpose of our way of life and our democracy and the tremendous struggle that we face in the world today. And when we get other nations whose peoples have freedom of assembly such as we, to analyse the situation and to negotiate, then we can negotiate in good faith. There isn't a nation in the world, Canada, United States, Great Britain, or any religious leader, or any church denomination, but what wants exactly what is in this resolution. In order to attain it, we don't intend to sell our birthright and the very things that we have fought down through the generations to accomplish. Every man and woman and every father and mother who love their children don't want war and fighting within their home; but let an outside enemy attack it, and see how quick they will go to the defence of the loved ones. It is human nature to do those things.

While we should work for peace, let us not be carried away in thinking that we should not prepare to be strong. Sometimes I think we get a false delusion to think that the great battle of the armament race today is simple as that. It is a deathly struggle for a way of life between two ideologies and while we will work for peace and want peace, and pray for peace, let us never forget to be strong until such time as we can be assured of peace in good faith from all nations of the world.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, this has been a very interesting discussion. I cannot add very much to what has previously been said by the mover and seconder and other speakers. I wish to compliment them on bringing this subject to the attention of this House. I think they have done a very good job. But, I do think that probably I should add something to this debate, and I do so because I think it is the responsibility of the members who represent people in Saskatchewan and members all over to get up on the floor of their parliaments and speak their minds.

Two years ago, I recall that this House passed a resolution similar to this one here today. It concerned peace. It concerned assisting underdeveloped and underprivileged nations of the world, and I recall that, very shortly after the passing of that resolution, the Prime Minister of Canada, Mr. St. Laurent, made a statement through the press that the Canadian Government would follow just such a policy. It was not long after, only about a year later, that again I noticed in the press a statement by President Eisenhower of the United States whereby he indicated also that the government of the United States would follow the policy which was suggested by this Legislature.

Such announcements, to me, as one of the representatives of the people of Saskatchewan, are comforting. It doesn't matter how we argue; whether we argue that we must defend ourselves for peace, or whether we argue that we must fight a war. That is not important. The fact remains that if wars are to continue in the future, it will mean the mass destruction of humanity. That we must never forget. Whether it is political or economical is probably not too important, because if it is political, then there are only two or three or at the most five or six great nations involved. The peoples of Asia, the peoples of Africa, the peoples of Central America and the underprivileged countries are not interested too much in the philosophy or the politics of either the Soviet Union or the western democracies as we call them. They are interested more in trying to make and living and avoiding exploitation.

Actually, at this time I don't want to go into this world state of affairs. The facts today are, and you can't get away from them, that the argument between the powerful nations is not so much political — the form of government they have. After all, what does it matter what form of government the people in the Soviet Union have or what form of government we have here? As long as it is the wish of the peoples of those countries to have their form of government, it does not interfere too much with our way of life.

The causes are economic; world stresses are definitely economic. The Soviet Union wants a sphere of influence in Asia and in other parts of the world and so do the western democracies, particularly the nation to the south of us. If the members would only sit down and think for a minute, they would realize the fact that the underprivileged countries are those countries who have the resources today. We talk about China and the 500-million people there; but we must never forget that the natural resources of China have not been developed. The coal, the iron, the minerals are there to be exploited by the ones that first get in, and there are two powers trying to get into China.

Canada is no exception. Canada has not been fully developed and the resources of Canada are exploitable today. Who will enter? Which powerful nation, if we were at war, would come in and take over this country to develop the resources and benefit? That I don't know, but I do know at the present time there are developments in Canada that are not in the interests of the Canadian people.

I would say this, Mr. Speaker, and I will be very brief. We cannot say war is inevitable. I have indicated the statements made by the Prime Minister, and I think the Government of Canada is following that policy to some extent. I think the United States realizes that to survive they must follow the same policy. And I think, as the member who moved the motion mentioned, that the Soviet Union begins to realize that they must follow a similar policy. Their leaders now say they are going to be positive in their views, as has been reported in the press, and that they will try to get together with the other

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great powers and see if they cannot arrive at some kind of agreement whereby there will be no need to use the nuclear energy for war, and it may be we will arrive at the time when we won't need to have wars whatsoever.

I would just like to leave this thought. To me the people of the world, whether they are the people of Canada, or of the United States or of the Soviet Union, nations upon nations of America, Europe, Asia and Africa, are just like so many rivers. I think of the United Nations as one large sea, and I hope I can live to see the day when all these rivers will be flowing together into that one great sea and make their contribution to the world and to the people of the world. That would be a happy day.

Therefore, I must support a resolution such as this because I visualize the day when the world will have a single government. Sure, there will be misunderstandings, there will be many things to iron out; but the people of the world will be working for the common interest of the people of the world. The rich and developed nations will at that time be able to help the underprivileged nations. There will be no such exploitation as is rampant today, and if there is exploitation it will be for the benefit of those that have as well as those that haven't. Through the United Nations and the United Nations' government we can achieve all that.

I would like to inform the members opposite that these differences, according to the former general Secretary, Mr. Trygve Lie can be ironed out. He said this at one time when he was speaking to the Assembly, when he was opening one of the sessions. He pointed out that certain nations in particular were following a very dangerous trend to particularly exploit the underprivileged areas. He said:

“Bold measures are needed to lessen the disparity of living standard by raising those of people who have lived in poverty.”

When Mr. Trygve Lie was asked at that time whether it would be done in the face of current armament programmes, he said this:

“It can be done if there is sufficient understanding of the essential place of such an expanded programme in an effort to win security from world-wide chaos, and it must be done if the world is to avoid disaster.”

I think Mr. Trygve Lie was right, and the course is ahead of us. I say also that we have no choice, if we are to represent our people conscientiously, but to tell the Government of Canada we are proud of what it has done so far, and we want our authorities to continue to work in the direction to obtain world-wide peace.

Mr. W.H. Wahl (Qu'Appelle-Wolseley): — Mr. Speaker, this has been a very interesting debate and there is one thought I would like to add to it. This banning of atomic weapons and the peace movement in recent years has usually been interpreted as Communistic, and the Labour-Progressive party has been associated with that. Surveys show that these people are well meaning and sincere, and many of them have the interests of goodwill at heart. Many people have condemned these people just because they have joined what might be termed a 'sick movement', but, unfortunately, they are the only

people who have come out as a champion of peace. Our own Federal Government has a programme well under way to use atomic power for peace, and they are to be commended. That has been mentioned.

Mr. Eisenhower, the President of the United States, has appointed one of his trusted lieutenants, Mr. Stassen, to form a new department for peace, and President Eisenhower who has been associated with war all his adult life, condemns its folly and states man's survival depends on finding other ways of settling his differences. I agree with this, and suggest a way is to practise the Christian philosophy of life, and the place to start is at home. There are many types of religions in the world and many of them boast more followers than the Christian religion, but their basic philosophies are good. An example is Gandhi's passive-resistant movement. It suggests high ideals.

A Chinaman's conduct in our land speaks well of their social heredity. Even a Communist — and I am not going to suggest that this is a religion but only a phase in the evolution of our world — has worthy ideals, and only their fearful and political-minded leaders can suppress them. People of goodwill, in spite of different backgrounds of colour, race, or religion, can always get together and agree, and only then, when they do this, will what is suggested in the Bible in Isaiah come to pass: "They shall beat their swords into ploughshares and their spears into pruning hooks; nation shall not lift sword against nation; neither shall they learn war any more."

There is no easy way to get this, and I believe it is only by practising goodwill and appointing people of goodwill to important positions that we can finally have peace. As one of the speakers suggested, he was speaking as an ordinary man and for ordinary people, and it is ordinary people that have to fight these wars. So, I suggest it is the ordinary people that must muster these forces of goodwill so that they can get rid of this misunderstanding that is in the world. I personally believe that it is a political misunderstanding, and that the leaders who have these different philosophies of life are trying to defend this and defend it with the ordinary man's life. So, I am going to support this motion, and I am going to ask everyone to muster these forces of goodwill so that we can have peace.

Hon. I.C. Nollet (Minister of Agriculture): — Mr. Speaker, I am very reluctant to let this occasion pass without saying a few words in connection with this resolution which I consider to be one of the most important resolutions to come before this legislature. I would like to say a few words in support of the motion because it does touch on a subject that I am very much interested in. I don't think there is anyone who, in the course of his day's activities, doesn't think and reflect on the possibility of atomic destruction. It is a dark cloud of fear that rests on the brows of humanity, a cloud of fear that we thought we have removed at the conclusion of World War 2; but now we find that we have still a greater fear than ever before.

I believe that a good deal of difficulty associated with the problem of world disarmament is the terrific hysteria of hate which has developed, and it is a sort of hysteria that makes impossible even an approach to the question of disarmament, because it always leads one to believe that somehow or other, the other side cannot be trusted at all.

I was greatly interested in the speech made by the hon. member for Maple Creek (Mr. Cameron), but he again left the whole matter up in the air

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by saying:

“However, we are dealing with a force that you can only deal with in the use of strength. No, therefore, we must remain strong, strong in armament.”

I say to you, Mr. Speaker, this is the principle of negotiating from a position of strength. Well, for Heaven’s sakes, Mr. Speaker! how strong do we have to get to be in a position where one can carry on favourable negotiations? It is well known now that our great neighbour to the south has a preponderance of destructive weapons available, and still in that country one finds greater fear and hysteria than in any other country on the face of the globe. So, therefore, it is quite conclusive that the principle of negotiating from a position of strength is erroneous, and it is also erroneous that the power of the atom bombs and nuclear weapons will give one a sense of security. It doesn’t. It seems to generate ever-increasing fear, hate and more hysteria, and finally ends up in hopeless frustration towards finding a solution of the dilemma.

I would like to say this: It is true, as the hon. member for Maple Creek has mentioned, that we face an ideological strife. Maybe that is why we are finding it difficult to find a solution to these problems. Surely, if it is an ideological struggle, we do not get rid of the problem by an atom bomb, because one cannot focus a bomb on a particular physical target. It doesn’t exist in physical form, Mr. Speaker.

I have heard people expounding the belief that one could suppress ideas by force and by weapons. As a matter of fact you cannot draw sight on a target that is invisible. So there are other approaches, I think, that we might consider in this ideological struggle between these two great world forces.

First, I think we should look at the causes that lead people in the direction of what we term totalitarian governments. I would like to say, too, that if hysteria causes totalitarian government, we see more and more, in the midst of our hysteria here, attempts being made towards curtailing freedom of expression of one’s opinion. As the hon. member for Qu’Appelle-Wolseley (Mr. Wahl) has mentioned, the very fact of someone mentioning the word ‘peace’ render him suspect. This is a bad situation. I don’t know who the interests are, but surely some interest must be behind this attempt to condemn any who want world disarmament. I am going to suggest to the House that there are other ways of solving this problem, and I think we can meet the problem on the basis of finding a solution to the root causes of what we term the development of totalitarian government.

We are very lucky in Canada. I think we are perhaps the most fortunate country in the world, from the point of view of living standards, health standards, and nutritional levels. One does not need to go far outside of the borders of Canada to see just the opposite. I have repeated so many times now, Mr. Speaker, and I don’t like to do it again, that two-thirds of the world’s population go to bed hungry every night. How do we solve the problem that leads to a loss of faith in what we term our way of life? We are in a position of world leadership, and I think we ought to give the world positive leadership. The people of the depressed areas of the Far East are looking to us for positive leadership. I don’t think that they are interested in armament. I don’t think they are interested in ‘Uncle Sam’ sending them more guns to defend themselves against the big bad Russian bear or the Russian wolf. I

think they are more concerned about their immediate problems of hunger, and I believe that, if we directed our efforts in that direction, we could do much more to repel the spread of false ideologies.

I must think that way, Mr. Speaker. I either must think that way or I would have to cast aside my own Christian philosophy. I believe it is a good guide and a good philosophy. It represents the eternal truth that God has created all men, and created all men in His own image and likeness, and that we should never presume, none of us, to be so self-righteous that we can go out and take human life in defence of what we think is right. Only our Creator can justly make that decision; this old eternal truth that has been struggling for centuries against the militarists of all ages. In the final analysis, when the smoke of battle has cleared away, we must again go back to these fundamental truths of life upon which our very existence depends.

I don't think that the assumption that we can resolve world problems on the basis of nuclear strife is tenable. I don't think it is practical, especially in the present world situation.

I would just like to read (and I am not going to take long) some indication of what we might face. The hon. member for Maple Creek says we must be strong; we must be ever ready. Strong for what, Mr. Speaker? What is the end going to be? Peace? Yes, the peace of the grave. I would rather be living and carry on the fight for a better world than endeavour to exterminate wickedness and evil by a greater evil, by destructive forces. but, are we going to be able to control these forces once they are let loose, Mr. Speaker? I am quoting here from an article appearing in the 'Leader-Post' of recent date, and it says: "Bombers receive Definite Orders" — it is under a Washington, D.C., headline. It says:

"The united States military high command has issued an iron-clad order that long-range strategic bombers shall take off and strike back in the event of an enemy attack on the United States. There are, it may be said on the highest authority, very detailed and precise plans for the instant issuing of orders for launching retaliatory bombing action even though the President of the United States may be incapacitated or cut-off from sudden attack. This provision for an emergency shift of authority has been set up as a result of a section of the atomic energy law which says that only the President may order the use of atomic weapons. This provision is there in the event that although something happens to the President, automatically the atomic war will be touched off."

Who is going to stop it, Mr. Speaker? And after the smoke clears away, where are we then? Have we found the solution? I have no desire to be atomized, and I would like at least to be around to say "I told you so"; but if there is anyone left, Mr. Speaker, we can be pretty sure he will be a Communist after that happens.

There is one more thing, Mr. Speaker. I am encouraged by the fact that people in high places are beginning to realize the utter futility of endeavouring to settle our differences, whether they are ideological differences or whether they are strictly wars of material gain, that in our modern situation wars will provide no solution at all. I was most interested that

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General MacArthur, now retired, denounced war, and I was especially surprised because I always considered General MacArthur one of the most dangerous militarists in the United States. He was the commander, as everyone knows, who marched up to the Yalu River and, subsequently, President Truman asked him to resign. And here is what he says recently. He must have had a change of heart, because I think, as we grow older, we begin to think about the fundamental and serious aspects of life. When we get a little closer to the grave, I think we then commence to wonder what it is all about, as to whether there isn't something to this eternal truth that perhaps we ought to be doing something about perpetuating human life and making human life a little more pleasant and especially more free from fear in this good world of ours.

General MacArthur said this:

“He urged the United States to proclaim a readiness to abolish war in concert with the great powers of the world.”

And that is the point, Mr. Speaker. It isn't a matter of us disarming first. It is “in concert”; and that is the intention of this resolution, Mr. Speaker. He goes on:

“‘The result would be magical’, he said. MacArthur rejected preparedness as a sure path for peace, or collective security as a steadfast bulwark of the free world. Abolition of war, as he sees it, need not even rest on international inspection of armaments.”

A very important point, Mr. Speaker. Public opinion on the great gains enjoyed by a world of peace would ensure it, in his opinion.

“The alternative one is a preparedness race that may plunge the world into nuclear warfare by spontaneous combustion . . . “

as I just mentioned a moment ago.

“MacArthur's denunciation of war was made in a speech he prepared for a civic banquet that followed dedication here of a monument in his honour. He came here for public ceremonies marking his 75th birthday.”

I like to see people getting sensible when they get along in years, Mr. Speaker.

“MacArthur, U.S. supreme commander in the Far East until he was dismissed by former President Truman during the Korean war, devoted almost all his address to the suicidal nature of modern nuclear warfare. MacArthur said he would be sneered at as a visionary by every pundit in the world, every cynic and hypocrite, every paid brain-washer, every egotist, ever trouble-maker and many others of entirely different morals.”

He felt, too, that he would be subjected to the violence of people like McCarthy and their clique and kind, who have never yet contributed anything to constructive solving of world problems. Their attitudes are the product of narrow-minded people. But he went on:

“‘Sooner or later the world, if it is to survive must reach this decision. The only question is when. Must we fight again before we learn? When will some great figure in power have sufficient imagination and moral courage to translate the universal wish which is rapidly becoming a universal necessity, into actuality. We must break out of the strait-jacket of the past. There must always be one to lead, and we should be that one. We should now proclaim our readiness to abolish war in concert with the great powers of the world.’”

“MacArthur called modern war a Frankenstein to destroy both sides. ‘No longer is it the weapon of adventure’, he continued, ‘whereby a shortcut to international power and wealth, a place in the sun, can be gained. If you lose, you are annihilated; if you win, you stand only to lose. No longer does it possess the chance of the winner of a duel. It contains, rather, the germs of double suicide. Science has clearly outmoded it as a feasible arbiter’. MacArthur saw abolition of war as a blessing beyond the wildest imagination of mankind, bringing them into a national security and an end to much, if not all, of the world’s poverty, and a keen deterrent to totalitarianism.”

Those words reflect my own viewpoint most entirely, Mr. Speaker, and, as I say, I was greatly encouraged that General MacArthur came out as he did and made the bold statement that takes very considerable courage to make in the great country to the south of us. I am convinced and certain that, if we are to ease tensions all around, the opportunity of having some influence on totalitarian regimes is great. We have already had exchange of activities in the world of sport. Someone said here, this afternoon, if members of parliament would visit one another and perhaps sit in one another’s parliaments, we might gain a good deal. It would be rather odd if we found the hon. member for Arm River (Mr. Danielson) exchanged for somebody over in Moscow. It certainly wouldn’t be much worse.

By the way, Mr. Speaker, I would like to have seen more of the hon. members opposite stand on their feet, this afternoon, and back up what must be in their mind a constructive proposal. I would like to see them speak out a little more for things that are constructive and good, and similarly, in the course of matters pertaining to the public interest in the province, to take a more positive attitude, rather than the constant attitude of a negative position and caustic phrases that have been so pronounced in debate by hon. members opposite.

Mr. Speaker, I thought I should say a few words on this resolution because it is something that I am very greatly interested in, and although I have had no time to make the type of prepared address that I would like to have made in connection with such a worthy resolution, Mr. Speaker, you can be assured I will support it.

The question being put on the motion (Mr. Feusi), it was agreed to unanimously.

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TAX RENTAL AGREEMENTS

The Assembly resumed from March 3rd the adjourned debate on the proposed motion of Mr. Walker (Hanley):

“That this Assembly deplores the recent action by the Government of Canada in undermining the system of Federal-Provincial Tax Rental Agreements by destroying the principle of uniform taxation, in offering a reduced level of taxation to any Province not coming under the Tax Rental Agreements.”

Mr. A. Lopton (Saltcoats): — Mr. Speaker, this resolution that is before the House is intended, in my opinion, to mislead the public and draw their attention from the real tax case. The Provincial Tax Rental Agreement is a very simple one; a simple arrangement whereby the provinces release their right to levy and collect personal income tax, corporation tax and succession duty tax to the Federal Government, which, in return, pays back to the provinces a sum of money based upon national income and population.

All the provinces in Canada have come into the scheme, except the government of Quebec, who object to the scheme on the ground that they are relinquishing their provincial sovereignty to the central government, with the result that the people of the province of Quebec are paying taxes into the scheme for which they are getting very much less return than other peoples of Canada. It is stated in press reports that they have been losing in the neighbourhood of \$40 million a year by staying out of this arrangement.

It appears that, in the past, the income taxpayers of Quebec have been allowed to deduct five per cent of the federal income tax to compensate them to some extent for this loss. Last year, the Premier of Quebec felt that the Provincial income taxpayers should be allowed to deduct the full amount of the provincial income tax from the federal income tax. This was estimated to amount to about 15 per cent of the federal income tax. The Premier of Canada, realizing the unfair distribution of this tax to the people of Quebec, apparently agreed that they should be allowed to deduct another five per cent, raising it to 10 per cent in all. It is estimated that this extra five per cent would amount to approximately \$9,000,000, which seems a small amount compared with the amount they would save if they were in the scheme. In view of the fact that if they came under this Agreement they would be entitled to another \$31 million, which amount would necessarily be deducted from the present amount which is distributed among the provinces, which would be shared by Saskatchewan, as well as other provinces, and Saskatchewan might well find itself receiving in the neighbourhood of two or three million dollars less than they are now, if Quebec was to come into the scheme.

It is inconceivable that the Premier of Saskatchewan, which benefits the most from this arrangement, should be the only Premier in Canada to voice a protest to this arrangement. We notice that he particularly objects to the fact that it is proposed, but not so finalized, that all the income taxpayers should have the right to deduct the 10 per cent from the federal income tax. It may be noted the exemption for a married couple in their federal income tax is \$2,000 and that the exemption in provincial income tax in Quebec is \$3,000, making \$1,000 difference between the exemption of the federal income tax and the provincial income tax, which, under this proposed arrangement, would allow people in the first case to deduct 10 per cent of their federal

income tax of \$1,000 on which they do not pay income tax to the Province. This would appear to create a discrepancy between the people who are paying similar amounts in other provinces. They have this advantage to the extent of \$17 over those of other provinces. The Premier objects to this, and his objection seems to be unfounded, since the lump sum is the important factor. It should not be the affair of the people of Saskatchewan how the Government of Quebec decides to divide this tax among its people.

If these low income people are exempt to the extent of \$17, it would appear that the people in the higher brackets are taxed higher to that extent. As well, those same people are paying special taxes in the province of Quebec to make up for the services that they would benefit by if they were in the Federal Tax Agreement.

This resolution, Mr. Speaker, pretends that this proposed concession to the Province of Quebec is undermining the whole Tax Rental Agreement. This is not true, as the following statement of the Prime Minister of Canada will prove. This was contained in a letter to the Premier of this province, which stated as follows:

“We did indicate, however, that the Federal Government was not wedded to the principle of Tax Rental Agreement to the exclusion of any better alternative arrangement, if one could be found. At the same time we made it clear that the present Government had no intention of abandoning the objective of the Tax Rental Agreement, which is to make it financially possible for all the provinces, whatever their tax base, to perform their constitutional functions themselves and to provide a reasonable Canadian level of service without an abnormal burden of taxation. That is the foundation of the policy of the Federal Government.”

That was in the letter that was written to the Premier of this province. In addition to that, the Minister of Finance has stated that there is no intention of the Government of Canada to divert from the present Federal Tax Rental arrangement to compensate for this loss.

Now, Mr. Speaker, I want to say that the Premier of Saskatchewan rather went out of his way to criticize the action of the Prime Minister of Canada, who has said that he had no intention to abolish that agreement unless a better scheme could be devised to bring about the same results. This is another case where it would appear that the Premier of Saskatchewan has spoken out of turn, and it might turn out to be costly.

Hon. Mr. Fines (Provincial Treasurer): — Mr. Speaker, is he quoting from something?

Mr. Lopton: — It is significant that the Premier of Saskatchewan . . .

Mr. Speaker: — Order! Is the hon. member reading a letter to yourself, or is he quoting?

Hon. Mr. Fines: — No, I was not asking that. He was quoting the Minister of Finance, and I was wondering if all of this was still part of the quote?

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Mr. Loptson: — No. I read a quotation and then I went on. I will read it again:

Mr. Walker (Hanley): — Mr. Speaker, on a point of order, would the hon. member be good enough to give us the date of the quotation from the Minister of Finance?

Mr. Loptson: — Well, you know it anyway; but I will get it for you. That was stated in the ‘Leader-Post’. In any event, I will read that quotation again for you:

“The Finance Minister had no intention to abolish the agreement unless a better scheme could be devised to bring about the same results. This is another case where it would appear that the Premier of Saskatchewan has spoken out of turn and it might be fairly costly.”

Hon. Mr. Fines: — Are you still quoting?

Mr. Speaker: — Order! Order! Is that a part of the quotation?

Mr. Loptson: — No. These are my words. This is another case, Mr. Speaker, where the Premier of Saskatchewan has spoken out of turn, and it might become costly. Isn’t that right? It is significant that the Premier of Saskatchewan is the only Premier in Canada who has taken exception to this scheme, and there may be a logical reason for that. The Premier of Saskatchewan naturally is a leader of a political regime which is not very well favoured in the province of Quebec, and Communism is not tolerated in that province, so it would appear that the Premier . . .

Hon. Mr. Fines: — Is it a conspiracy with Moscow?

Mr. Speaker: — Order!

Mr. Loptson: — . . . has latched onto this opportunity to vent his vindictiveness against the French people of Canada, and particularly against the people of Quebec, and I would suggest that he is doing that for political advantage. I want to state here that this attack on Quebec is untimely and entirely uncalled for, and for that reason, Mr. Speaker, I am going to move an amendment to this motion, which reads as follows:

“That all the words after the word ‘Assembly’ be deleted and the following substituted therefor:

“commends the Government of Canada for adopting the policy of the Dominion-Provincial Taxation Agreements, and urges that these agreements be continued on the present basis until a better scheme can be devised.”

This is seconded by my hon. seatmate, Mr. Danielson.

Mr. Speaker: — That is not an amendment. That is a direct negative. You can accomplish exactly the same thing by voting against the original action. I cannot accept this as a proper amendment.

Mr. Loptson: — Well, Mr. Speaker, I think that is wrong.

Mr. Speaker: — If you will quote your authorities; if the hon. member will read the resolution and then read this, he can accomplish his purpose by voting against the resolution.

Mr. Loptson: — It is recommending the very thing that we are opposing that the Government is doing in this resolution. It is just the very thing that we want to do. We are asking them to do what we want them to do. Here you are condemning them for doing something that they are not doing yet.

Hon. Mr. Fines: — Mr. Speaker, I suggest we have a recess until 7.30, and then we can look it over.

Mr. Speaker: — Yes, there is just about two minutes. We will leave the debate open and we will look up the authorities on this.

7.30 o'clock p.m.

Mr. Speaker: — Before we recessed the hon. member from Saltcoats (Mr. Loptson) proffered an amendment which I ruled out of order. As a matter of fact, this amendment is practically the same as the motion — that is, in substance; and as the substance in your amendment is already on the statute books which the original motion deplors for not being carried out, this amendment is not in order.

Mr. McDonald (Leader of the Opposition): — Mr. Speaker, on that point, I would just like to point out from the Journals of the Session of 1954, on page 118, we have a very similar motion and an amendment to that motion, which you ruled to be in order; and if you like I will read the motion and the amendment. The motion read as follows:

“That this Assembly recommends that the Government give consideration to the immediate implementation of the C.C.F. platform for complete health insurance as laid down in C.C.F. . . .” and it goes on.

Then there was an amendment moved, reading as follows:

“That the words ‘recommends that the Government give consideration to the immediate’ in the first line be deleted and the following substituted therefor:

“commends the Government for progressive . . .”

Then again, from the Session of 1945, the Journals of that Session, on page 91, there was a motion moved by Mr. Hooze, seconded by Mr. Danielson:

“That in the opinion of this Assembly no general consolidation or boundary revision of rural municipalities should be effected without the consent of the municipalities concerned.”

That motion was amended by Mr. Howe, seconded by Mr. Cuming, reading:

“The Government should be commended for studying the advisability of adjusting municipal boundaries . . .”

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I would just like to point out, Mr. Speaker, that in both these cases the amendments to the motions are exactly what we are asking here, today, with this proposed amendment, and I do believe that the amendment is in order. If the other two amendments were in order then this one is. Naturally, I have no authority to quote because I don't think there is any authority; but there have certainly been precedents set many times in this Legislature to allow us, tonight, to accept this proposed amendment to the motion.

Premier Douglas: — When Your Honour gives a ruling — I would like to point out that the examples read by the Leader of the Opposition do not touch the point of issue at all. The others were amendments which struck out certain courses of action by amendment, and substituted commending the Government for a difference course of action. I would argue, apart from the ruling given by Your Honour, that this amendment is out of order on account of the irrelevancy, if nothing else. Here is a motion which doesn't deal with the Tax Rental Agreements except incidentally. It deals with the action of the Federal Government in the matter of income tax, and points out that that action has had certain effects upon the question of uniformity and the matter of the Tax Rental Agreements. Now to introduce a resolution commending the Tax Rental Agreements — it would be just as sensible to introduce an amendment commending uniform taxation, because both uniform taxation and the Tax Rental Agreement were two incidental things which are affected, in the opinion of the mover, by the income tax change, so that the motion has to do with the income tax change, and only incidentally refers to the effect on uniformity and effect on the Tax Rental Agreements. Therefore, to move an amendment saying that we are in favour of the Tax Rental Agreements is completely irrelevant to the motion which the House is discussing, and I would think on that ground alone, it would be out of order.

Mr. McCarthy (Cannington): — I don't see the words 'income tax' mentioned in the motion at all, Mr. Speaker.

Premier Douglas: — If my hon. friend would look at it, it says: "That this Assembly deplores the recent action by the Government of Canada . . ." Now the recent action by the Federal Government is for providing a 10 per cent reduction in income tax.

Mr. McCarthy: — Yes, but the words 'income tax' are never mentioned in this resolution.

Premier Douglas: — I was assuming my hon. friend had sufficient intelligence to know that 'action' had to do with income tax.

Mr. McCarthy: — It is not there.

Premier Douglas: — If he hasn't been following the discussion that is not my fault. The 'action' had to do with income tax.

Mr. McCarthy: — I agree with you, but . . .

Mr. Speaker: — Order!

Mr. McDonald: — Mr. Speaker, it isn't the discussion that we are trying to amend, it is the motion, and the hon. member for Cannington is perfectly right. There is no mention in here whatsoever of income tax. It is never mentioned in the motion. Certainly it was discussed, but we are not asking to

amend the discussion; we don't agree with much that has been said in regard to the debate on this motion, but after all, Mr. Speaker, it is the motion itself that we want to amend. If this word 'income tax' appeared in here — naturally, it may refer to it and many speakers did refer to it, and rightfully so; but it certainly is not included in here.

Premier Douglas: — Mr. Speaker, if hon. members are to be allowed to speak twice on a point of order then I reserve the right to point out that we are discussing the motion. The hon. member should, therefore, have read it. First of all, we are discussing the 'action by the Federal Government'; secondly, what is that action? — a reduced level of taxation. If it hasn't anything to do with income tax, I don't know what it has to do with.

Mr. McCarthy: — Income tax is not mentioned.

Mr. Speaker: — Order!

Mr. McCarthy: — That is what I said, and it isn't mentioned.

Mr. Speaker: — Order! The word 'income tax' is not mentioned there, but the Rental Agreements are, dealing with income tax.

Some Hon. Member: — Well, what is your ruling on it?

Mr. Speaker: — The Clerk has looked up the authorities and the only way your idea could have been brought before the House is by a substantive motion; and it cannot be brought in by substantive motion because it is already on the statute books and it has been agreed to. The quotations of the hon. Leader of the Opposition are not relative to this. I rule the amendment out of order.

Mr. Lopton: — Mr. Speaker, if it is your ruling that it is out of order I have the right to appeal to the Assembly and I would appeal now against your ruling to the Assembly.

Mr. Speaker: — The hon. member for Saltcoats has appealed against the ruling of the Chair. Those in favour of my ruling will say 'aye'; those opposed will say 'no'.

Mr. Speaker's ruling was sustained by 28 voted against 8.

Mr. Speaker: — Is the House ready for the question on the proposed motion of Mr. Walker (Hanley)?

Mr. S.H. Carr (Rosthern): — Mr. Speaker, I have wondered why this resolution was introduced, and I have concluded that there are only three reasons why it could be. The first one that came to my mind was that it was introduced to promote discussion of the idea of the Tax Rental Agreement, so that the people might better understand it. Another reason is that there might have been, because of the recent action of the Federal Government, some fear in this Government's mind as to what might happen to the Tax Rental Agreements. Fear is usually engendered by a feeling of insecurity, and often is engendered by a lack of understanding. Now I do not mean for one minute that the Premier of this province does not understand all the various steps that have been taken leading to the Tax Rental Agreements, but anyone who voted for this

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motion would only do so from a lack of understanding of the principles and the ideas behind the Tax Rental Agreements.

Then there is a third possibility as to why this resolution was introduced, which was mentioned by the hon. member for Saltcoats (Mr. Loptson), and that is for political purposes.

To understand the Tax Rental Agreements fully would mean to understand everything about Canada and everything about Canada's history. I do not set myself up to know all that. I do not set myself up to know all about the Tax Rental Agreements; but there are certain things that we should keep in mind in a discussion of this kind. The first thing is that Canada is a Confederation of provinces. Before 1867, as everyone knows, we had two large provinces and the Maritimes. Those two large provinces were made up of two different racial groups, and they decided that it was in their mutual interest to join together and have a national government. They agreed to accept the British North America Act delegating certain powers to the national government and certain powers to the provincial governments.

I stress this point 'Confederation' because many people have the idea that Canada is a country divided into ten provinces. Canada is a country of ten provinces, with a national government. There is a slight difference. Saskatchewan is divided into municipalities, but those municipalities were created and their powers given to them by the provincial government and these powers can be taken away. The powers that the provinces have cannot be taken away from them by the national government, nor can the national government delegate part of its power to the provinces without the consent of all the provinces. I stress that, because the differences of opinion that we have in Canada in regard to Tax Rental Agreements are based on that very point; the provinces have their autonomies.

I would like to go back to the two great provinces — one English-speaking and the other French-speaking, one having a Protestant religion and one a Roman Catholic religion. These two great provinces representing different cultures, languages, religions and aspirations, since confederation had learned to understand, to help and to appreciate each other, and out of this understanding has come that spirit of tolerance which is taken for granted here in Canada, but the lack of which, in other countries, has given rise to racial doctrines which have brought nations against one another. Because of this tolerance and this Canadian way of life (you might say), the people of other races and other cultures came to Canada to establish their homes. This spirit of tolerance and respect for human rights is the reason why the Canadian citizen is admired and envied by all free men everywhere. They see in this citizenship the symbol of an association of free men, inspired by a common ideal and by the search for the natural ends of man — prosperity and happiness within the framework of the family, the community, and the nation.

What is this common ideal that we are searching for? And what has been done in Canada to find this ideal within the framework of the family, the community and the nation? I think probably the answer to the first question is that all Canadians everywhere, no matter in what province they live, shall have a fair share of the wealth of Canada and be able to enjoy their own culture in the way they have chosen.

The second question is: what has been done in Canada to find this idea? The mover of the resolution spent considerable time dealing with the provisions of the Rowell-Sirois Commission. Probably that was the first step by the Government of Canada to find what the people of Canada want, and to

get recommendations as to how it could be worked out. The problems that confronted the people in Canada — unemployment, drought and so on — in the 'thirties made the people in all parts of Canada conscious of the need for some re-allocation of the taxing powers and re-allocation of responsibility to provide the services the people wanted, and so the commission was set up to study and report on these matters.

I thought it might be appropriate to read the last paragraph of the introduction to Book 2 of the recommendations of the Rowell-Sirois report. I won't go into the details of it because I think every hon. member in this House knows the recommendations that were made by that Commission — if he does not, he should. I quote:

“We plead earnestly that our proposals should not be considered one by one in isolation, although we have done our best so to frame them as to stand even this test; but we have attempted to integrate them in a comprehensive plan of constructive character, dependent for its harmony on the observance of the general principles which we have set out, and designed to enable Canada to withstand the stresses and strains of today and tomorrow without undue peril either to reasonable national unity or to legitimate provincial autonomy.”

Those are the two principles that have guided the progress towards the Tax Rental Agreements — reasonable national unity and legitimate provincial autonomy. Towards providing this the Federal Government had set up by 1939 the Unemployment Insurance plan, and the P.F.A. plan to relieve the municipalities of much of the burden that they had encountered in the 'thirties — a first step towards helping the various forms of government to carry out their responsibilities, and so relieve them of much of the burden that they had had, the burden for relief and for crop failure.

It was learned before too long after the Rowell-Sirois Commission had presented its report, that all the provinces were not in agreement on the idea that they should give up their taxing powers in return for the various plans of social welfare that the Federal Government had undertaken to provide. During the war, to get a uniform taxation plan to provide for some control of the fiscal policy in the provinces, the Wartime Rental Agreements were set up. As soon as the war was over, of course, as everyone knows, the Federal Government called the 1945 Dominion-Provincial Conference. About that time the Federal Government brought in another plan to help the provinces and to help the municipalities — the family allowance.

I have mentioned three steps already that have been taken by the Federal Government to relieve the municipalities and the provincial governments of part of their responsibility for social welfare. It was proposed at the 1945 Dominion-Provincial Conference that, in return for a constitutional amendment (and that could only be made by all the provinces agreeing), the Federal Government would assume certain responsibility and pay certain grants to the municipalities. Now all the provinces did not agree to give up their taxing powers, and because they did not agree to it naturally the Federal Government could not carry out the full plan that had been proposed at the Conference; but because the Federal Government believed in it they proposed, in 1946, the Tax Rental Agreements.

Premier Douglas: — Mr. Speaker, I do not want to interrupt my hon. friend; I am trying to follow him — about this constitutional amendment

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which the Federal Government tried to get passed in 1945. I wonder if my hon. friend would enlighten me on that point.

Mr. Carr: — As I understand it — the Premier will correct me if I am wrong; I understand that to make a constitutional amendment all the provinces have to agree to it.

Premier Douglas: — No. Nobody has ever accepted that theory, but I would like to know what the constitutional amendment was. I am not aware of any constitutional amendment.

Mr. Carr: — That they give up their right to levy a direct income tax.

Premier Douglas: — No such request was ever made.

Mr. Carr: — No such request was made to the province?

Premier Douglas: — No. Let me make myself clear, Mr. Speaker. The provinces were asked to rent their tax deals, but at no time was it ever suggested that it be done by constitutional amendment.

Mr. Carr: — Well, under the Constitution, both the provinces and the Federal Government have the right to levy income tax.

Premier Douglas: — That is right.

Mr. Carr: — Now, if the Federal Government was to carry out the proposals that were made in the 'green book' they asked that they have the whole field — to quote from the green book: "to do these things fully and without destroying the Federal system, the Dominion Government considers that it should have full and exclusive freedom to tax personal and corporate income and estates so that the restricted effect of double and competitive taxation be avoided, and so that the income earned and wealth accumulated, nationally, can be fully and efficiently used for national purposes and for the mutual benefits of all provinces."

Premier Douglas: — But my point is that that was to be done by agreement, just as your Tax Rental Agreements are, by each passing legislation; there was no question of a constitutional amendment.

Mr. Carr: — Mr. Speaker, it would have to be by a constitutional amendment because the B.N.A. Act gives them that power.

Hon. Mr. Fines: — We have it today, but there is no constitutional amendment.

Mr. Carr: — No, but the agreement can terminate at any time — at the termination date. It has to be renewed, and each time they have to get the agreement of the provinces; but the Rowell-Sirois commission recommended . . .

Premier Douglas: — We are talking now about the 1945 proposals, then.

Mr. Carr: — Well, that is the same thing. I have just finished reading it.

Premier Douglas: — Yes, that is the 1945 proposals, not the Rowell-Sirois report.

Mr. Carr: — I know, but I just finished reading it. It said that they proposed that they give it up.

Premier Douglas: — That's right. By agreement.

Mr. Carr: — It doesn't say that. It doesn't say by mutual agreement. Maybe the hon. Premier wished it was that way, but they do not say it that way.

Mr. Speaker: — I think the hon. member is just arguing about certain analogy. I think the hon. member knows that it is not now taken out of the constitution of the provinces. The agreement can be terminated at any time.

Mr. Carr: — Mr. Speaker, I understand that quite well. But what I was saying was that only when the proposal, recommended by the Rowell-Sirois Commission, that the constitution be changed to give the Federal Government the exclusive right to this form of taxation was accepted, could the Federal Government, the national government, assume the responsibilities recommended. Now I said that because the hon. member from Hanley (Mr. Walker), in moving the resolution, mentioned in one part of his speech that we should give consideration to Plan I of the Rowell-Sirois Commission. In fact he indicated that this proposed change by the Prime Minister would undermine and destroy that plan.

Now, because all the provinces would not agree to this proposal, the Federal Government said, "Okay, we will make an agreement with those provinces that wish to have it." Seven provinces signed the agreement. Ontario and Quebec, as everyone knows, stayed out. But the Federal Government went farther than that. They began to implement some of the proposals that they had made — old-age security, providing pensions for everyone over the age of 70; the old-age assistance, sharing with the provinces the pensions for those aged 65 to 69; and now we have gone another step in getting, this year, the disabled persons' allowance. These are steps in carrying out the Rowell-Sirois Commission recommendations and many of the proposals in the green book — equalizing costs over Canada within the framework of our confederation, and without destroying the autonomy of any province. All these things so far have been done in co-operation with the provinces, without forcing any of them to give up their rights to the Federal Government.

I have indicated what I think is very significant progress made in the past 15 years. I say it is significant because it shows steady and consistent progress towards the goal set in the Prime Minister's statement quoted by the Premier in his radio speech. The Prime Minister said:

"Our objectives are high and stable . . ."

By the way, Mr. Speaker, the Premier had said:

"It was a Liberal government which convened the Federal-Provincial Conference on Reconstruction in 1945 and it was Mr. St. Laurent himself who, at that conference, set forth in bold and unmistakable terms the purposes of the conference."

The Prime Minister said:

"Our objectives are high and stable employment and income and a greater sense of responsibility for individual economic security and welfare."

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And the Premier goes on to say:

“In concluding his speech, Mr. St. Laurent said: ‘these proposals assume a broad Federal responsibility in co-operation with the provincial governments for establishing general conditions and framework for high employment and income policies and for support of national minimum standards for social services. They also assume that provincial governments should be in a financial position to discharge their responsibilities adequately.’”

The plans that have been put into effect during the past 15 years by the Federal Government I contend, Mr. Speaker, have contributed to the high objectives that the Prime Minister outlined at that conference.

I say it is significant, also, because we are almost at the point where Plan I (that was the plan mentioned by the hon. member for Hanley) of the Rowell-Sirois Commission can be implemented. We are almost at that point now. All that we need is the agreement of Quebec. Now I would like to ask this question: does this progress indicate that the Federal Government would now do something in a deliberate attempt to undermine what it has been doing for 15 years?

Premier Douglas: — Fifteen years!

Mr. Carr: — Fifteen years. The Federal Government set up the Rowell-Sirois Commission I think in 1939, or somewhere back there, and found out what Canada needed. The report was accepted, and step by step the recommendations are being carried out. I think if anyone will read the Commission’s report and read the 1945 proposals, he will find that we have come a long way towards achieving the Prime Minister’s objective. I remember speakers in the House, last year, when we were discussing the question of health insurance, getting up and saying how far this Government has gone, step by step, towards implementing the promise that they had made to provide free health insurance; and here I am just setting out, briefly, some of the steps taken by the Federal Government towards setting up the plan of the Rowell-Sirois Commission, in spite of the fact that all of the provinces had not agreed to it. When the provinces turned the plan down, in 1945, the Federal Government could have let the matter drop; they didn’t, but went ahead with those provinces that agreed, gradually building, with Tax Rental Agreements, towards Plan I of the Rowell-Sirois Commission report.

If any facts had been presented to prove that the Federal Government was undermining the Tax Rental Agreements, I could deal with them; but there was not one fact presented in the Premier’s radio speech nor in the speech by the hon. member for Hanley to prove that the Federal Government was undermining, in any way, the Tax Rental Agreements. I will deal with that in a minute.

The hon. member for Hanley used certain quotations to prove his case. One that he used was by the editor of the ‘Star Phoenix’. I would like to use one or two of these (in fact, in one case I am going to use the same editorial that he used) to set this thing out a little more clearly. I have come now to the point where I wish to discuss this 10 per cent proposal, or the reduction of 10 per cent, and I would like to read from an editorial in the ‘Star Phoenix’ of February 1, 1955, in regard to it:

“It was clearly Prime Minister St. Laurent’s hope that his plan for a 10-per cent reduction of Federal income tax in Quebec would lead to nation-wide agreement on Federal-Provincial fiscal arrangements. The hope was certainly shared by the majority of Canadians; but it has been somewhat diminished, chiefly by the creation of Premier Duplessis of Quebec, but also by the attitude of the people in other parts of Canada, especially members of the C.C.F. party, who have tried to present the Prime Minister’s plan as a concession to Mr. Duplessis and an affront to those Canadians living outside of Quebec.

“Mr. Duplessis’ stand is undoubtedly influenced, in part, by the fear that Quebec may lose its provincial rights; and that of the other critics by the fear that the Federal policy of trying to distribute tax revenues equitably among the provinces may be threatened. But in both cases we suspect there is also an element of partisan politics and that is unfortunate, for the taxation issue is too grave to be treated as a political football.”

Mr. Walker (Hanley): — Hear! Hear!

Mr. Carr: — And in the same editorial, it says:

“On the other hand, those who object to Mr. St. Laurent’s 10-per cent deduction plan overlooked the fact that Ottawa has no constitutional power to force the Quebec government to sign a tax rental agreement, or to refrain from levying a provincial income tax.

“Certainly the people of Quebec are Federal voters; the political implications of the 10-per cent deduction are apparent enough, but the people of Quebec are also Federal citizens, and as such, they are entitled, individually, to benefit from Federal taxes similar to those received by Federal taxpayers in other provinces.”

I am sure, if the hon. member from Hanley had given attention to that editorial he could not have said, with a clear conscience, what he did about the Quebec people.

Mr. Walker (Hanley): — Very nice.

Mr. Carr: — I would like to quote from another editorial from the ‘Star Phoenix’ of March 15th, in regard to this same matter:

“The Federal Government has attempted to bring the people of Quebec into the tax rental system by the back door, as it were. That, at any rate, is one way of looking at the temporary deduction of 10 per cent allowed income taxpayers in any province which has no tax rental agreement; but whether this device will persuade the people of Quebec that they have nothing to fear and, like the rest of the country, much to gain from participation in the tax rental

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system or something similar, remains to be seen. If not, a more rational system of revenue distribution will have to wait, for despite the chagrin of Premier Douglas and others, Quebec cannot be forced to give up any of its constitutional rights. The first aim of Mr. Douglas and his fellow Premiers from the west and the Maritimes must be to see that the present Tax Rental Agreements are replaced with agreements which are at least as good.”

The thing that bothers me a little about this is the attitude of the C.C.F. party toward the plan for Tax Rental Agreements. Somehow or other they seem to have the idea that the Federal Government should force the provinces to do something. The Premier, in his speech, said:

“At this time the Federal Government should be seeking to strengthen its powers, not to weaken them.”

I contend, Mr. Speaker, that it is this very fact that is keeping Quebec out of the agreement — the tendency on the part of some people in this Canada of ours to say that all people must be the same. It was indicated in the speech of the hon. member for Hanley where he said that this question of equalization was in danger. It is mentioned in the resolution. The idea has been impressed on the Quebec people so that they are afraid they will lost some of their culture, some of their rights, if they give up anything to the national government. And speeches like that of the hon. member from Hanley do not disillusion the Quebec people in any way; in fact, I think that the speech made by the Hon. member will do much to destroy the Tax Rental Agreements and destroy the unity and understanding that the Federal Government and the other provinces have built up in the years that have gone by.

I would like to deal with a few of the things he said. He used up some 9 pages of his 13-page speech to deal with the Rowell-Sirois Commission report, and then the last four pages he tried (tried, I say, Mr. Speaker) to justify this resolution. He did not succeed, but he tried.

In dealing with the Tax Rental Agreements, he had been speaking about the question of equalization and he did not say who, but he said “those people, whether from sinister or selfish motives, who are seeking to undermine and attack and destroy this principle of equalization, are trying to destroy the tax agreements.” He did not say who they were, he just said “those people”; and just following that, he said, referring to the people of Quebec — the taxpayers, and that is who he means by ‘they’: “They will be willing to pay more for a few years if, by doing so, they can undermine and destroy the principle of these agreements.” So right there he infers that the people of Quebec are willing to pay more for a few years to destroy the principle of these agreements; so he is putting it right on the people of Quebec.

I heard the Premier say, the other day, in reply to the hon. member for Cannington (Mr. McCarthy), that it is a principle of law that you cannot prove intent, you have to prove a fact. The hon. member has not presented a fact; he is trying to prove intent. Now he goes on from that: “The whole strategy of the Province of Quebec has been to try to get, not just something for themselves, but something which will be available to other wealthy provinces so that all the wealthy provinces will withdraw from the Dominion-Provincial

agreements.” Indicting a whole people — the whole people of Quebec are trying to destroy these agreements.

Still speaking about the Province of Quebec, he says:

“They are concerned with providing a subsidy to Ontario and British Columbia so that they, too, will want to withdraw when the new agreements come up next year.”

There is nothing in this resolution about the Province of Quebec, so I suppose that the hon. member for Hanley thought that he had better get down to the Federal Government, because he had not yet said anything to prove that the Federal Government was undermining these agreements. There was nothing in his speech to indicate that, so he said:

“And if that dastardly policy is concurred in by the Federal Government the cause of national unity in this country will be set back several decades.”

“If it is concurred in” — he did not say that it would be. But listen to the next sentence:

“I am not surprised that the Federal Government has concurred in it.”

I would not like the hon. gentleman to defend me if that is the way he comes to conclusions.

Mr. Walker (Hanley): — I didn’t hear what you said.

Mr. Carr: —

“I am surprised that the Federal Government has concurred in . . . “

Premier Douglas: — I don’t think any lawyer is good enough for that.

Mr. Carr: —

“They had to get rid of the Hon. Douglas Abbott first, but I am not surprised that they concurred in it.”

Then, speaking of the discussion between Mr. St. Laurent and Mr. Duplessis, he said:

“Then they got together and they did this thing which Douglas Abbott said would strike at the very root of the system of Federal-Provincial Tax Agreements.”

And the most amazing statement of all:

“I would not be surprised if this deed was conspired in by the Federal Government — the Federal Liberal Government — before it came to pass.”

Mr. Walker (Hanley): — Hear! Hear!

Mr. Carr: — That is the sum and substance of his proof that the Federal Government is undermining these tax agreements. There isn’t one

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other item in his speech to indicate that they are being undermined and I cannot find one item of proof, or one fact to indicate, even in the Premier's radio speech, that the Federal Government is undermining these agreements. True, they used the Douglas Abbott statement, but it is taken out of context. The hon. Premier . . .

Premier Douglas: — Read the context.

Mr. Carr: — I will. The hon. Premier and the hon. member from Hanley both used it out of context. Mr. Abbott said that, before completing the statement of tax policy for the ensuing year, he wanted to deal with Federal-Provincial financial relations and he said this:

“The right of any province to impose such a tax (that is personal income tax) has never been questioned. The preamble to the recent Quebec statute (that is the statute imposing income tax) imposing the tax contains statements, however, which cannot be allowed to pass unchallenged. That preamble contains the following words:

““Whereas the Canadian Constitution concedes to the provinces priority in the field of direct taxation . . .”

That is the matter that Douglas Abbott was speaking of.

Premier Douglas: — Oh, no!

Mr. Carr: —

“There is no foundation in fact or in law for such a statement. The provisions of the B.N.A. Act in this regard are clear and unambiguous. Federal taxing power is unlimited. Provinces are limited to direct taxation within the province for provincial purposes. No priority is stated and none is implied. On the contrary, both levels of government have equal and concurrent rights in the field of taxation.”

Now then, the statement that the hon. Premier and the member from Hanley quoted — I will read it here, but it is necessary, to understand it clearly, to read from over on the other page. This is the statement that was quoted by both speakers:

“The principle underlying the suggestion that provincial tax should generally be allowed as offsetting Federal tax strikes at the very roots of the system of Federal-Provincial Tax Agreements which have been developed in this country.”

That is the quotation which was used, but in discussing this matter, this is what Mr. Abbott said:

“It is now suggested that the Federal Government should allow taxpayers in Quebec to reduce their income tax, otherwise payable by them to the Federal treasury, by the full amount they are required to pay to the Province. I have given this suggestion the most careful and serious consideration. Clearly, however, the obvious implication of the principle involved in this proposal is that this Province should recognize that any Province has the right to determine the amount by which the

people of that province may reduce their national tax liability. I consider that any such principle is completely unacceptable. If a credit up to 15 per cent of the Federal tax is accepted it would appear to be difficult in principle to later deny full credit for say 30 per cent, or 60 per cent, or even 100 per cent of the provincial tax. If the Province has the suggested constitutional priority in the field of direct taxation, then nothing short of the right to reduce Federal tax by 100 per cent would be the stopping point.”

Mr. Walker (Hanley): — Why give them 10 per cent then?

Mr. Speaker: — Order!

Mr. McDonald: — That is C.C.F. policy.

Mr. Carr: — There is just a little more:

“This would imply that a Provincial Government, without imposing any additional burden on its own taxpayers, could secure to its own treasury the full amount which would otherwise be payable by its people to the National Government. This would be the obvious consequence of allowing a province to determine the degree of offset against Federal tax to accommodate its own tax. I can therefore only repeat what I said earlier in this point. There is no justification under our constitution for such doctrine. Its acceptance would not only put the Federal treasury in an intolerable position, but it would completely destroy any basis for Federal-Provincial Tax Rental Agreements.”

Now that explains Douglas Abbott’s statements.

Premier Douglas: — It sure does!

Mr. Carr: — That is not the last word. Now, does this apply to the 10 per cent proposal? I contend it does not, for this reason. The Federal Government has made a proposal to Quebec that is valid for two years, or until 1956 (I believe it is) that they will rent only 90 per cent of the tax field in Quebec. Now they say that that is only fair, and any fair-minded person would say it is only fair — that they should not take 100 per cent of the field, if they do not pay any rent. They are paying rent to Saskatchewan. If they did not pay us that rent, if they took 100 per cent of the tax field in Saskatchewan and did not pay us any rent, this Province would have to increase, say, its education and hospitalization tax; it would have to be doubled, to get the revenues that this Province needs; it would be more than doubled, it would almost be tripled, to get the revenues to compensate for the tax rental payments.

Mind you, the Quebec people were paying 100 per cent tax and not getting anything back, and it was necessary, if the Quebec government was to give the services to their people that their people needed, for them to find another source of revenue; so they had to put on a Provincial income tax. Is there any person in Saskatchewan who would say it is unfair to let Quebec have 10 per cent of that tax field? They can put on whatever rate they like, but the

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Federal Government proposed to let them have 10 per cent of that field because Quebec does not get any rent for it.

Premier Douglas: — Even the people who don't pay any Federal tax? Does my friend think they should have an exemption too?

Mr. Speaker: — Order!

Mr. Carr: — That has nothing to do with it — not a thing to do with it. The Federal Government is not paying Quebec any rent for that deal; therefore, they take only part of the taxes — 90 per cent.

One very interesting thing about some of these speeches is the statement that this taking only 90 per cent will undermine the tax rental agreements by encouraging Ontario and British Columbia not to sign the agreements, the next time they come up. That won't make any difference to Saskatchewan. Ontario wasn't in before, and we had a Tax Rental Agreement. We signed before B.C. did, and the Federal Government still went ahead with it. That fact won't undermine it one little bit. It will affect the Federal Government's control of fiscal policy to some extent, only if the Province would get more from the 10 per cent than it does from the subsidy. The Minister of Finance has said, in a radio speech:

“It is a fact, however, that no province will be better off financially at the present time by withdrawing from the Tax Rental Agreements and accepting this new formula.”

So, even if they do only take 90 per cent of the tax field in Quebec, it will not affect the control of the fiscal policy in the provinces. Not one bit. How can it? — because if Quebec came in there would be more than that 10 per cent going back to Quebec; and when there is an income tax in the province, the fiscal policy is controlled partly by the province, too, and that compensates for the lack of control by the Federal government.

Now, Mr. Speaker, by the expression on the faces of the hon. gentlemen opposite, they disagree with a lot that I say.

Mr. Walker (Hanley): — Hear! Hear!

Mr. Carr: — Much has been implied in their speeches; but I think that one thing in particular is implied in both of these speeches, and that is, that somehow or other nothing should be done to encourage Quebec to be part of Canada, to come into these agreements.

Premier Douglas: — Your party has been peddling that for years in Quebec; there is no use of peddling it here.

Mr. Cameron: — While you're at it, apologize.

Mr. Speaker: — Order! Order!

Mr. Carr: — I would like to quote from the same editorial used by the hon. member from Hanley. It is the one from the 'Star Phoenix' of May 5, 1954, in regard to this matter:

“The temptation to tell Mr. Duplessis to jump into the lower St. Lawrence is natural enough. Unfortunately, it is a temptation that must be resisted for reasons of sound politics and national statesmanship. For one thing, without Quebec’s acquiescence there is not much likelihood of a more permanent and satisfactory method of distributing tax revenues and fiscal responsibilities throughout the country than we now have. For another, the fact that Quebec, rather than one of the other provinces, has been isolated in an otherwise fairly harmonious chorus of Federal-Provincial voices, raises the spectre of racial division within the nation.”

I contend, Mr. Speaker, that this resolution, the radio speech of the Premier, and the speech of the hon. member moving this resolution, will do more to create racial divisions in Canada than the 10 per cent proposal will. The 10 per cent proposal will make the people of Quebec feel that the rest of Canada wants them, because, after all, it is Canada that is making this proposal to Quebec. It will make Quebec feel that they have nothing to lose by coming in; that the rest of Canada is willing to work out any kind of an agreement that is fair to the people of Canada. I think that everything should be done, particularly by us in western Canada where we benefit so much by these agreements; everything should be done for great provinces like Quebec to make them feel that we want them and ourselves all to be Canadians, and all to share in the same things; that we are not going to get up in this House or anywhere else and make speeches indicating that the people of Quebec are not good Canadians, and that they are trying to destroy the things we believe in; that we are not going to get up and say “We deplore this action”; this friendly action of the Federal Government because it is undermining the agreements.

Therefore, Mr. Speaker, there is absolutely no foundation in fact for these allegations and not one shred of evidence has been offered to prove that the agreements are being undermined. Charges against Quebec can only create distrust and misunderstanding and destroy much of the unity which we have attained in Canada up to now. To attack the people of Quebec is to insult the people of Saskatchewan who are the most tolerant and generous people in the world; and to criticize the people of Quebec simply because they do not see eye to eye with the C.C.F. party, is an insult to the people of Saskatchewan.

For these reasons, Mr. Speaker, I think every member of this House who speaks for the people of Saskatchewan will vote against this resolution because it is put on this Order Paper for no other purpose than to advance the C.C.F. party politically. It is to set those old Ontario people in Saskatchewan, who came out with some bitterness against the people of Quebec, again against the people of Quebec, and for no other purpose.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, I do not intend to say very much on this, but after what we have just listened to, I feel that if we do not say something we will be accepting the statements made — facts, may I say, that are very, very far from being facts.

First of all, the hon. gentleman made the very positive statement that the Dominion Government offered to the provinces, in 1945, certain constitutional amendments. May I say, Mr. Speaker, that that statement is not

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correct. For example, I have here the statements made by Mr. Ilsley, when giving the Dominion proposals. He said:

“Any provincial government would have the right to withdraw from the arrangement at any time, since it is not proposed to seek a constitutional amendment.”

Then, too, I have the statement of the Rt. Hon. Mackenzie King at that time, in which he says:

“None of the Dominion proposals would require an amendment to the British North America Act, or involve any fundamental disturbance of the traditional pattern of Confederation.”

Mr. Carr: — Mr. Speaker, may I ask the hon. Minister a question? Was that in regard to the Tax Rental Agreements?

Hon. Mr. Fines: — Oh yes, this is the 1945 proposals. These are the verbatim reports, and the statements which I have referred to will be found on page 114, and were made on August 7, 1945, by Mr. Ilsley; and the other one by Mr. Mackenzie King is on page 385, made on April 29, 1946 — one statement each year.

Mr. Carr: — Mr. Speaker, I did not say that the Tax Rental Agreements required a constitutional amendment. I said that the full implementation of the proposals would require the giving up . . .

Hon. Mr. Fines: — May I say, then, that the hon. gentleman differs with Mr. Ilsley and differs with Mr. Mackenzie King. Mr. Speaker, may I say that these are the proposals of the Dominion Government, and to implement the entire proposals, Mr. Mackenzie King says “would not require any constitutional amendments,” and Mr. Ilsley says the same thing.

Now if my hon. friends cannot understand that, they obviously do not wish to learn. They do not want even to listen to the words of their former great leader, Mr. Mackenzie King, and the Justice of the Supreme Court of Canada, Mr. Ilsley, the very excellent gentleman from whom, I am sure, the hon. Leader of the Opposition could learn a great deal. I would suggest that he read everything he can on Mackenzie King and everything that he ever wrote, and he could learn a great deal about political strategy, for one thing, that might stand him in good stead, if he hopes to get anywhere.

Mr. McDonald: — You let me worry about that. I don't need any lessons from the Provincial Treasurer.

Mr. Speaker: — Order!

Hon. Mr. Fines: — The next point I would like to deal with is the statement which was just made by my hon. friend that you can have control over fiscal policy even though we leave certain taxation powers within the hands of the respective provincial governments; that that does not interfere with the Dominion's control over fiscal policy. He argued, a few minutes ago, that Quebec having the right to levy income tax would not interfere with the fiscal control of the Dominion Government. May I say that he is entitled to that opinion, but

I cannot agree with him. I cannot agree with him because I believe that, if we are going to exercise fiscal control, which is so essential, and if we are going to maintain employment at a high level, that control must be in the hands of one government in order that, during periods when we are starting to slide into a period of unemployment, they can pump more money into circulation; they can reduce taxes, if necessary; or if there is a period of high employment and when inflation begins to rear its ugly head, then the Dominion Government can end that by raising taxes. And so it is, in my opinion, very essential. But may I say, again, I am not alone in that. I, again, would like to refer to the proceedings of the House on August 7th, when Mr. Mackenzie King . . .

Some Hon. Member: — Mr. Abbott.

Hon. Mr. Fines: — No, this was during the conference, when Mr. Mackenzie King — it is really so good that I would like to read a great deal of it; I am going to read half a page here:

“The organization of business and ability of wealth are such that income earned or wealth accumulated from activities in one province may, for taxation purposes, be subject to the jurisdiction of another provincial government. Provinces in which corporation head offices and wealthy individuals are most numerous automatically enjoy an opportunity to tax incomes and wealth derived from other provinces. Provincial governments which do not have such opportunities, if they are dependent on income, corporation and estate taxes, will, after the war as before it, be limited to an unjustifiably low level of provincial services.

“Income and corporation taxes and succession duties are highly variable in their yield and more so in any one province than over the Dominion as a whole. The provincial governments, having limited borrowing power, would be forced to raise taxes when economic conditions were unfavourable, and when such action would hamper economic recovery. The Dominion, on the other hand, has a broader and less variable ability to borrow. It can manage much larger proportions of variations in revenue than any provincial government can. It can afford to budget its tax revenues for the period of the business cycle as a whole. In this way it can mitigate depressions and booms, rather than aggravate them, as provincial governments would do if they were dependent on these highly variable tax sources.

“All taxes affect the volume of spending, but income and corporation tax rates, and changes in these rates, also have a vital bearing upon the incentive to produce and to undertake capital expansion. It is, therefore, important that these taxes should be levied exclusively by the Dominion Government. It is the only government which, because it can budget for the whole business cycle, is able to set rates in such a way as to contribute to a high and stable level of employment.

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“Exclusive jurisdiction over taxes on income, corporation and estates is also necessary in order to protect Canadian interests abroad. With divided authority it is difficult to conclude reciprocal agreements with other countries which will prevent double taxation of Canadian incomes and estates.”

Now, Mr. Speaker . . .

Premier Douglas: — That is what the C.C.F. want to do — centralize, eh?

Hon. Mr. Fines: — I think this is ample evidence to show that certainly the authorities in Ottawa, for a long time, have believed that to have control over the fiscal policy of this Dominion, to take steps necessary to prevent unemployment, it is necessary that the taxation power be in the hands of the taxing authority, namely, the Dominion Government.

May I say that the Dominion Government’s capitulation to Quebec has certainly placed the Government of Quebec in a position where it can very well interfere very seriously with the economic recovery of Canada in times of depression, by virtue of the fact that they have the power to raise taxes at a time when the Dominion Government may wish to be lowering taxes, or vice versa. At a time when we have periods of inflation, when the Dominion wishes to raise taxes, and the Province of Quebec, at the same time, is reducing taxes, the one would offset the other. You can well imagine, Mr. Speaker, if this were carried out with the two major provinces of Canada, making up, as they do, over two-thirds of the population of this Dominion, I think you can see what a very, very serious effect that would have upon the economy of Canada as a whole.

One other thing about it. While it is true that the Dominion Government is only allowing 10 per cent of the Dominion tax to be deducted from the income tax, yet there is nothing to stop the Province of Quebec from raising the taxes by another one or two or three per cent, or whatever they wish to do; and if the Province of Ontario were to accept the same principle, I would like to point out to my hon. friends that the Province of Ontario would actually be \$3,100,000 better off by levying an income tax which is equivalent to 10 per cent of the Dominion tax; and if they wanted to levy a tax, say of 15 per cent of the Dominion, then they would be about \$35 million better off. That is so, Mr. Speaker. The fact that the Dominion Government has allowed this amount to be raised from 5 per cent (which the taxpayer could deduct before) to the 10 per cent makes it very attractive for those provinces that we have, in the past, referred to as the “have” provinces.

I do not think there is any difference of opinion between our hon. friends opposite and ourselves in the desire to have the taxation agreements continued. I think we all agree; I think any person in Saskatchewan would agree that these tax agreements must be maintained at all costs. It is important to us; and the reason that we feel so strongly about this is that we can see a danger, when you get two of the largest provinces, making up two-thirds of the population, accepting this. Then I fear that we may be in very serious danger of losing the agreements.

There is a great deal that one could say about the resolution. We feel very strongly that the system of provincial tax rental agreements is

being undermined by this action, and I am afraid that the conference which is being called for April 26th to work out a new agenda — probably we will be discussing new proposals within a very short time; and I am afraid that it is going to be very difficult for us to get very much of an improvement on the present tax agreement proposals, because of the fact that two of the provinces at least, and probably a third, are just about as well off outside the agreement altogether, and I think it is going to seriously interfere with that. If we could have gone into this Dominion-Provincial conference with the Dominion standing fast, backing up the position taken by Mr. Abbott in the House of Commons, a year ago, that they were not going to give in to any province, that the Dominion government was going to exercise its right to levy a tax and not allow that tax to be deducted beyond the 5 per cent, then I think that would have been a greater incentive for Quebec to get in.

There is one other point, and that is the fact that this new agreement which the Dominion Government has entered into with Quebec is placing the taxpayers of Canada in two classes. First of all, the taxpayers residing in the province of Quebec are going to pay the Dominion Government one rate of tax, and the people in the rest of Canada are going to be paying another. I have wondered whether or not, if this matter were referred to the Courts, it could not be declared unconstitutional. There is an old principle of taxation that you cannot discriminate against any people or any group of people, that taxation must be levied uniformly. Yet here we have, in the Dominion of Canada today, taxation which is not being levied uniformly, but which is being levied differently in Quebec than in the rest of Canada. I am not hoping to convert my hon. friends on this because I am sure they haven't the least idea of what I am talking about.

Premier Douglas: — Well, 'Jimmy' told them, Friday night, what they were to do on this.

Mr. Speaker: — Order!

Hon. Mr. Fines: — Well, I am not sure if Jimmy did or if Mr. Bruce did; but somebody did.

Mr. McDonald: — There is a lot that you don't understand about this.

Hon. Mr. Fines: — Mr. Speaker, may I say that the Government of Saskatchewan is ready to co-operate with the Dominion Government and with the Province of Quebec and the other provinces of Canada in trying to work out an agreement which will implement the proposals that were made in 1945. May I say that we have only gone a very short distance toward the implementation of these green book proposals. At that time the things that were to us very important, thinking back as we did to the days before the war, when we spent so much on unemployment, when we saw so many of our people in this province living on relief; we were particularly interested in the proposal of the Dominion Government that they were going to take over the responsibility for the care of all the employable unemployed people. That was a very important thing to us. And, too, we were very interested in the Dominion Government going ahead with the health proposals which they made in 1945. Do you realize, at that time, what that would have meant to us? They were prepared to pay 60 per cent — at that time they estimated the cost for an across-the-board health plan, medical and hospitalization, at \$21.60 per capita. Sixty per cent of that was \$12.96 per capita. The Dominion Government was prepared to pay that. And they did not

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say “with all the provinces.” When the proposals were made they said they were prepared to enter into an agreement with any province that wished to enter into such an agreement with them; with any province. We were prepared to enter into it, and then we were told, “Well, we cannot do that until we have the support of at least sufficient of the provinces”; and when our Premier said to Mr. Mackenzie King, “What do you mean by sufficient of the provinces”; Mr. St. Laurent, who was Minister of Justice at the time, answered, saying they would consider sufficient of the provinces if they had a majority of the provinces, and at least one of the central provinces. Well, we have had a majority of the provinces and we have had Ontario in ever since 1952, but we still haven’t been able to get them to agree to the 60 per cent. I would like you to realize just what that would mean in dollars and cents to the people of this province, even if we had the \$13 per capita to apply on our hospitalization plan — it would mean about \$11 or \$12 million to us.

Then, too, the proposals that were made to assist in the works programmes, whereby the municipalities and the Provincial Government would provide certain works programmes and they would put these on a shelf and then, whenever unemployment began, they would take them off the shelf and would put people to work. We still have these things that are very important, and when we go to Ottawa next month, this is one of the things that we are certainly going to endeavour to get. We are certainly going to endeavour to get the Dominion Government to carry out the proposals that were originally made.

Shortly after the conference was held in 1945 and 1946, the ‘Financial Post’ of July 6, 1946, came out with a story:

“Nine Canadian provinces woke up on the morning of June 28th to the lukewarm comfort of life without an over-all Federal-Provincial agreement. They found Ottawa still willing to offer \$198 million for exclusive rights in the personal, corporation and inheritance tax fields, but they found they had lost public investment and other grants worth, roughly, \$150 million annually; an old-age pension offer worth \$220 million . . .”

Now it is true we have received that since.

“. . . health insurance and grant promises worth an eventual \$165 million.”

And they could have added at least \$100 million for the unemployed employables.

“These items represent, in short, the price which individual provinces, on behalf of their citizens, will temporarily have to pay for failure to reach agreement with Ottawa for an over-all agreement.”

If you just take it on a per capita basis, our share, including the agreement, would have been somewhere in the neighbourhood of \$40 million a year that we would have been getting.

So you see it was a very serious thing to us not to have had an agreement entered into, in 1945-6, which would implement the proposals of the Dominion Government, and we are most anxious to see to it that, when the next agreement is entered into, these proposals which were made in 1945 and 1946

are not overlooked, but rather implemented into the agreement which will go from 1957 to, I suppose, 1962.

But, Mr. Speaker, may I say that we feel very strongly that the result of the Dominion Government capitulating to Quebec, as they have done recently, will make our task all the more difficult.

Mr. A.H. McDonald (Leader of the Opposition): — Mr. Speaker, I was hesitant to take part in this debate because the Premier and the hon. member for Souris-Estevan (Mr. Kohaly) and myself had a very enjoyable evening, last night, when we discussed some of the things that have been discussed here, this afternoon.

Mr. Gibson (Morse): — Who won?

Mr. McDonald: — They didn't take a ballot. We had a very good evening, though, and I think we all enjoyed it very much. However, I cannot let it pass without contradicting and pointing out the fallacies in some of the statements that were just made by the Provincial Treasurer (Hon. Mr. Fines).

He said that there has been a change in policy as far as the Liberal Government at Ottawa is concerned, from the time Mr. Abbott was Minister of Finance and the present day. There is absolutely no change whatsoever in the policy or attitude of the Federal Government. At the time Mr. Abbott was speaking, any province had the right to deduct five per cent of their provincial income tax from their federal income tax. What Mr. Abbott was discussing at that time was that he did not believe that any province should have the right to deduct any more than a set amount of the provincial income tax from the federal income tax. That is exactly what the Federal Government is doing today. They have agreed, or they have proposed to the province of Quebec, to allow them now to deduct 10 per cent of their provincial income tax from the federal income tax. In the province of Quebec that would still yield that province approximately \$20 million less than if they entered into a taxation agreement with the Federal Government. It is the business of Mr. Duplessis and his provincial government in Quebec whether or not they want to enter into a taxation agreement with Canada.

The Provincial Treasurer, this evening, also said that the people of Quebec were going to have a lower rate of income tax than the other people in Canada. Well, let us just picture what is happening in Quebec. The Prime Minister of Canada has offered an arrangement with Quebec whereby the people of Quebec will be able to subtract 10 per cent of their provincial income tax from their Federal income tax. In other words . . .

Mr. Walker (Hanley): — Will the hon. member permit a question?

Mr. McDonald: — When I am finished I will. Then you can ask all the questions you like. In other words, the province of Quebec is still going to send 90 per cent of the federal income tax into the Federal Government. Isn't that right?

Premier Douglas: — Generous, isn't it?

Mr. McDonald: — Certainly it is generous, because the province of Quebec are receiving \$20 million less under this arrangement than they would

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if they came under the general taxation agreement; but the 10 per cent that they are allowed to subtract from the federal income tax, because of the difference in the exemption levels in the province of Quebec between provincial income tax and federal income tax — in the provincial the exemption for married people is \$3,000 per year, for single people it is \$1,500 per year; and we all know the exemption for federal income tax is \$2,000 for married people and \$1,000 for single persons. Now, admittedly, if Mr. Duplessis decides to follow the same policy in regard to the 10 per cent reduction out of the federal income tax, then there is a certain group of people in the province of Quebec that will not be paying the same rate of tax as people in Saskatchewan; but is that any business of the province of Saskatchewan or the Dominion of Canada? Whom Mr. Duplessis collects that money from is his business. If he wants to collect that money from the high-income people, that is a concern of him and his government. The amount of money coming out of the province of Quebec will be exactly the same as if they were paying the same tax rates as we here in the province of Saskatchewan.

Premier Douglas: — No — only 90 per cent.

Mr. McDonald: — Ninety per cent — nonsense!

Premier Douglas: — You just said it.

Mr. McDonald: — Ninety per cent will go to the Federal Government and 10 per cent will be retained by the Provincial Government of Quebec; but they will not receive anything out of the taxation agreement, and as they say, that is not our fault. That is up to Mr. Duplessis and his government.

The Provincial Treasurer also said that what was to stop the province of Quebec, or any other province that wanted to accept this arrangement that the Prime Minister of Canada has offered to the province of Quebec, from increasing it by another one, two or five per cent. The Prime Minister of Canada has told Mr. Duplessis that 10 per cent is the limit — that is all.

Premier Douglas: — Just on the deduction.

Mr. McDonald: — “You can only deduct 10 per cent”; well, then they can never raise it above that 10 per cent unless the Dominion Government passes the legislation allowing them to do so.

Hon. Mr. Fines: — Who could never raise it?

Mr. Speaker: — Order!

Mr. McDonald: — The province of Quebec can never deduct more than that 10 per cent unless the Parliament of Canada gives them that authority.

He also said that the province of Ontario, if they wanted . . .

Hon. Mr. Fines: — They can levy more.

Mr. McDonald: — Certainly they can levy more, but that is his business; that is Mr. Duplessis’ business, not yours, or not the business of the Prime Minister or the Government of Canada.

The Premier has said that he has been a great defender of the French people; he has defended their rights to their religion and education and everything else. Well, why should he draw the line there? Why shouldn't he give the people of Quebec or any other minority group some financial consideration as well? I am prepared to defend not only the things mentioned by the Premier, but to defend the right of any minority group in their financial arrangements with all the people of Canada, and I think that the Premier of this province ought to adopt the same stand.

The Provincial Treasurer also mentioned that the province of Ontario, if they felt that they would like to withdraw now from the taxation agreements, would receive some \$3,100,000 more under an arrangement such as has been proposed to the province of Quebec. That is very true, Ontario would receive about \$3,100,000 more; but how much would it cost the province of Ontario to administer a provincial income tax? Mr. Harris, the Finance Minister for Canada, made the statement that was quoted here by our hon. friend from Rosthern (Mr. Carr), that there is no province in Canada that would benefit more by accepting the arrangement that has been offered to the province of Quebec. That statement is very true; no province in Canada. Now, why did Ontario come into the Dominion-Provincial Taxation Agreement in the first place?

Premier Douglas: — Because they couldn't get a deal like this.

Mr. McDonald: — I would say that. The province of Ontario came into the Dominion-Provincial Taxation Agreement in the first place because, if she hadn't, she would no longer have been the government of that province; and I venture to say that if the province of Saskatchewan were in a position that they could make more, if they could make another one or two million dollars more by withdrawing from the taxation agreements, it would be a very unpopular move in any province, because once a province has been given the right to pay all their taxation to one government, I think the people appreciate it. But I do not think that any people of any province would appreciate having to go back to the policy of having to pay perhaps income tax to the Federal Government, income tax to the provincial government and income tax to the municipalities, and that was the case at one time in Canada. I do not believe that any of the population of any province would be very grateful for having to do that.

Premier Douglas: — Duplessis seems to get elected on that.

Mr. Speaker: — Order!

Mr. McDonald: — Duplessis has some sort of a political machine, I think, something like yours out here, and you can get away with murder sometimes.

Premier Douglas: — I wouldn't talk about machines if I were you.

Mr. McDonald: — What is the position of the C.C.F.? Oh, I know you don't like it — I can have lots of fun with this and I intend to . . .

Premier Douglas: — You will have a lot more before the evening is over.

Mr. McDonald: — What is the policy of the national C.C.F. party for Canada in this regard? What do they say? They are prepared to go far farther in the so-called surrender to the province of Quebec than the Liberal

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party have gone. The C.C.F. national party of Canada say "We are prepared to let the province of Quebec deduct as much from their federal income tax as they would receive if they were under the taxation agreement."

Mr. Cameron: — Do you repudiate that?

Mr. McDonald: — What position would that put Quebec in? What position would that put the Dominion Government of Canada in? You would be giving another \$20 million to the province of Quebec. That is a bigger surrender, isn't it? Twenty million dollars more. But I do not think you are going to buy votes in Quebec with a hand-out of that kind. The Federal Government has made them a concrete offer . . .

Hon. Mr. Brockelbank: — What a one-track mind!

Mr. McDonald: — . . . and I do believe that we can reach some agreement on this. We all admit that it is not ideal. The Prime Minister of Canada has said that it is only a stop-gap arrangement and that it will only be in effect for the taxation years of 1955 and 1956. I hope that, during the few months that lie ahead, we will be able to hit upon an idea with regard to taxation that will be acceptable to all the people of Canada, because I believe it will make for a much stronger nation.

There is one other thing that I want to refer to before I take my seat and that is the promises that the Provincial Treasurer referred to which he claims the Federal Government made back in 1945. Well now, Mr. Speaker, if the people who sit on your right are going to profess that certain promises were made by the Federal Government, providing that all the provinces would come into this taxation agreement, providing that the majority of them would come into it, then I wish they would look back at their own promises. It was only two years prior to that that those people sitting on your right and their following in the country promised things to the people of the province of Saskatchewan that they have never carried out, never will carry out.

Mr. Danielson (Arm River): — No intentions of doing it.

Mr. McDonald: — They never had any intention of carrying them out when they made them.

Mr. Cameron: — They want Ottawa to do it.

Mr. McDonald: — And there is a list here, Mr. Speaker, which would take me from now until midnight to read, of promises made by people who sit on your right and the following of the party that they represent. Why, they were going to give health services to the province of Saskatchewan with no thought of the Federal Government paying for it at that time.

Premier Douglas: — And we are giving them.

Mr. McDonald: — Why, the Premier was going to give these services to the people of this province without cost. What a statement!

Premier Douglas: — They are getting them.

Mr. McDonald: — We are getting them, sure — and we are paying for them. We only

have one little piece and we are paying plenty for it; and if you put into effect the plan as you suggested it at that time, it would take the entire budget of this province to pay for it, in health services alone, and you know it. And you knew it when you made the promise. But it was made for the purpose of getting the votes in this province, and any person who wants to take the time to look into the back speeches of our hon. friends opposite, they can read the promises of that day.

Hon. Mr. Kuziak: — Here is the promise — right here!

Mr. Speaker: — Order!

Mr. McDonald: — I sincerely hope that if the Premier's seatmate and other members of the Cabinet on that side of the House and other private members want to refer to promises that they say were made some 36 years ago by the Federal Government, well, then, they only have to look back 12 years to the many, many foolish promises that they made at that time.

Now, Mr. Speaker, I, like some other members who spoke on this side of the House, believe that this motion is doing more to upset the unity of Canada than any actions of any political party in the Dominion of Canada. I believe that the people of the province of Quebec eventually will come into a taxation agreement. I sincerely hope they will. As I said a moment ago, it would be the best thing that could ever happen for Canada, for all our people to be under it; for all our people to be taxed equally, and for all our people to receive equal benefits. I hope that that will be the outcome of this pending Dominion-Provincial conference. I know that the Premier of this province, probably the Provincial Treasurer and some of their staff, will be there representing us, and I sincerely hope that the other provinces of Canada will give their complete co-operation and that we can come out of there with an arrangement — I don't care whether it is the present system or whether it is a better one; the Prime Minister of Canada has said that we are not wedded to the taxation agreements providing we can find a better solution. That is what we are searching for, today, and I believe that, if we put our political stripe on the shelf and try to do what is right for Canada, we will eventually get an agreement that will be satisfactory to all the people of Canada and I sincerely hope that no political party will attempt to undermine those arrangements, but undermine the people who are trying to make arrangements for the good of their own political party.

Mr. Walker (Hanley): — Mr. Speaker, I would like to ask the hon. member a question. He made the statement twice and I am sure it must have been a slip of the tongue. He said "deduct 10 per cent of their provincial income tax from their federal tax," and I am sure he will want to clarify that.

Mr. McDonald: — Pardon?

Mr. Walker (Hanley): — You said that the legislation gave the province of Quebec the opportunity to deduct 10 per cent of their provincial tax from their federal tax. You said it twice, and I am sure that you didn't mean that.

Mr. McDonald: — They are allowed to deduct 10 per cent of their federal tax. I am sorry if I made that error.

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Hon. T.C. Douglas (Premier): — Mr. Speaker, I hadn't intended to take any part in this debate. My deskmate here covered the subject very well; but I thought one or two things which were said by the Leader of the Opposition probably ought to be commented on. He got quite a bit away from the resolution when he started in to talk about the past record of the present Government and its failure to keep promises. If I had been he . . .

Mr. McDonald: — Here they are!

Premier Douglas: — . . . I wouldn't have got into that subject. He doesn't have to go back to 1944 or 1945 with trouble keeping promises; he seems to have some trouble himself right now about promises he made last November.

Mr. McCarthy (Cannington): — Like Mr. Coldwell in Ottawa!

Premier Douglas: — He promised to clean out the 'old guard', but the old guard is still there. Old soldiers never die; they won't even fade away. If anyone disputes that, we have only to read the statement from the member of Rosthern (Mr. Carr) who submitted his resignation, and the statement of Mr. Simmie, who has decided to depart for places unknown because he finds that he cannot move out the entrenched forces of Mr. Gardiner. I wouldn't talk about keeping promises if I were the Leader of the Opposition. Apparently some of these people think he hasn't kept his promise to his own supporters, let alone keeping his promises to the people of Saskatchewan.

Mr. McCarthy: — You wished that were true.

Premier Douglas: — Mr. Speaker, the member for Cannington seems to be having trouble keeping quiet.

Hon. Mr. Fines: — There is nothing unusual about that.

Premier Douglas: — It is always interesting to watch the reaction of the Liberal party. Whenever they try to pull off some little piece of political skulduggery and get caught at it, they act very much like a 'squid' that squirts some black substance so that you cannot see where it is going. They try to confuse the issue as much as possible so they cannot be tracked down. That was being done, tonight, by all the speakers who took part, particularly the member for Saltcoats (Mr. Loptson) who kept talking about this being the result of our C.C.F. vindictiveness against Quebec and that this was some deep-dyed plot against the French Canadians. Well, Mr. Speaker, I imagine I have as many friends among the French Canadians and the people of Quebec as has any gentleman across the way, and what I have said here I have said also in the province of Quebec and will do so again, because this is not a matter of Quebec; this is not a matter of the French Canadians. All my public life I have stood solidly against any kind of religious or racial intolerance, and what I have said about the actions of the Federal Government I would have said had it been Ontario or Saskatchewan or any other province. This is a matter of fundamental principle that has to do with the nation as a whole; and wherever you have special privileges for any group, then you start the beginning of internal discord.

The resolution here hasn't anything to do with Quebec. It has to do with the actions of the Government at Ottawa, who may have been seeking

to curry favour with Quebec, or seeking to outfit Mr. Duplessis. I don't know what the reasons were, but the Government at Ottawa, as everyone knows, has made a proposal which is diametrically opposed to every stand they took before. The statements made by Mr. Abbott on April 6th last, in his budget speech, most of which were quoted by the member for Rosthern, show very distinctly that he stated then "the giving of the right of offset would strike at the very roots of the Tax Rental Agreements."

As a matter of fact, when I read that statement, last April, I thought Mr. Abbott was putting the case too strongly. I have always advocated (and I still advocate) that if Quebec would not come into the Tax Rental Agreement — (I was prepared to agree, for one, if anybody had asked me, I certainly would have agreed at a conference, if we had been asked, but we weren't; and I have said so on public occasions again and again), that Quebec people should be allowed to deduct from their federal income tax payments the amount which they paid to the Province, provided the total amount which the Province collects by its income tax would not exceed the amount which they would collect from Ottawa under the Federal-Provincial Tax Agreement. In other words, if Quebec is entitled to collect \$135 million, then the people of Quebec could deduct, in total, \$135 million; but if the government of Quebec, or of any other province, collected more than they would be allowed to get under the Federal-Provincial Tax Agreement that amount would be turned over to the Federal treasury. In other words, the total amount they could collect could never, at any time, be in excess of the amount they would get under the Tax Rental Agreement; and they would be allowed to deduct that amount from their federal tax. That would have been fair. It simply meant that instead of all their taxes going into Ottawa and then getting a certain amount back, they would be keeping that back to begin with, but they could not keep back more than they would get under the Tax Rental Agreement. Therefore, there would be no incentive to raise taxes. I will deal with that in a few moments.

Some of the speakers, it seemed to me, have confused the issue by saying "Well, before, in any province that did not have a tax agreement with Ottawa, they could deduct five per cent, and now all they have done is to raise it to 10 per cent." But, Mr. Speaker, there is a very important difference. The important difference is that before, they could only deduct up to five per cent from their federal tax, if they paid a provincial tax. In other words, if a man paid his provincial tax he could put his receipt on his federal income tax form and deduct that amount. But the proposal that is now being made gives him a right to deduct 10 per cent from the federal income tax, whether or not that individual pays any provincial income tax. If the provincial government chose to raise its exemption to \$4,000 or \$5,000, or if it chose to take the tax off altogether, everybody in that province would get 10 per cent off their federal tax.

Now, the gentlemen opposite, and the Leader of the Opposition say: "What business is it of Saskatchewan what they do in Quebec?"

Mr. Cameron: — That's right.

Premier Douglas: — "It is no interest of ours what they do in Quebec." But it is an interest of ours when the Federal Government, which is the government for all of Canada, says to people in one part of Canada, "you pay 100 per cent of your tax, and over here you only pay 90 per cent of your tax."

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Mr. McDonald: — That isn't true.

Premier Douglas: — Certainly it is true. My hon. friend can say it is not true if he likes; but in the province of Quebec, whether they pay any provincial tax or not, they take 10 per cent off their federal tax. A married man with \$3,000, in the city of Montreal, instead of his tax being \$170, his income tax would be \$153, while the man in Regina will pay \$170. You cannot justify that. There are almost 600,000 people (I think the 'Edmonton Journal' made the estimate) in the province of Quebec who will not pay any provincial tax, but nevertheless will get a 10-per cent deduction from their federal tax. Now if that isn't currying favour with the taxpayers and with the electorate, I don't know what is. Six hundred thousand taxpayers are going to get 10 per cent off their federal tax, not because they have to pay a provincial tax, but because they happen to be in the fortunate position of being on the auction block with Mr. Duplessis and Mr. St. Laurent both bidding for their support. That is the reason.

Mr. Cameron: — That is your interpretation of the reason.

Mr. McCarthy: — That is his logic.

Premier Douglas: — If I wanted a lesson in logic I certainly wouldn't ask the member for Cannington to give it to me.

Mr. McDonald: — He wouldn't ask you, either.

Premier Douglas: — I don't think he would know a syllogism if he met it in broad daylight.

The second point which this resolution raises is that there is not only the lack of tax uniformity which can result in a good deal of ill will, but the resolution suggests that this will undermine the Tax Rental Agreements. Now, the member for Rosthern said, "Why, it hasn't proved it." We didn't need to prove it to Mr. Abbott. Mr. Abbott certainly thought it would strike at the very roots of the Tax Rental Agreements.

Mr. McDonald: — He did not.

Premier Douglas: — Why didn't he? He said so.

Mr. McDonald: — He didn't say so.

Mr. Speaker: — Order!

Premier Douglas: — Would my friend like to read to him?

Mr. McDonald: — I've got it here; I'll read it to you.

Premier Douglas: — The gentleman has had it read to him once or twice, but if he wants it read to him again I shall certainly be very glad to read it all to him.

Mr. McDonald: — Make sure you read it all.

Premier Douglas: — If the Leader of the Opposition has something to say I wish he would get on his feet. He doesn't say it very well, but at least he might have the courtesy to get up and say it.

Mr. McDonald: — The same to you, my friend.

Premier Douglas: — Isn't it strange that the louder they laugh, the less they know.

The Minister of Finance said, in his budget speech:

“It is now suggested the Federal Government should allow taxpayers in Quebec to reduce the income tax otherwise payable by them to the Federal treasury by the full amount they are required to pay to the province.

“I have given this suggestion the most careful and serious consideration. Clearly, however, the obvious implication of the principle involved in this proposal is that this Parliament should recognize that any province has the right to determine the amount by which the people of that province may reduce their national tax liability. I consider that any such principle is completely unacceptable.”

As a matter of fact, Mr. Speaker, the Minister of Finance is touching on a very essential point. The Leader of the Opposition says the amount of deduction is fixed at 10 per cent. That is true, but the total amount of tax which the province can levy is not fixed. In Quebec, it is 15 per cent. If Ontario put in a 15 per cent tax, with 10 per cent of it deductible, they would be about \$35 million better off out of the agreement than they are in the agreement.

The proposal which I made a few moments ago, that a province be allowed to deduct the amount of provincial income tax from the federal, providing they did not collect more than the amount they would receive under the Tax Rental Agreement, would mean that there would be no incentive at any time for provincial governments to put on provincial taxes that would get them more than they could get under the Tax Rental Agreement. But in this proposal, there is no ceiling. A province could put on 15 per cent or 20 per cent. That isn't serious as long as the federal taxes are high, but, as the Provincial Treasurer pointed out, if, in a period of deflation (and we may be moving into such a period now, with the unemployment that is going on and the dropping farm income), the Federal Government decided that the best way to get money into circulation was to reduce income taxes, or to raise the exemption on income taxes, any province not under the Tax Rental Agreement could immediately move in as the Federal Government moved out. In other words, if the Federal Government decided to cut its federal taxes 20 per cent, the province could simply raise its taxes 20 per cent.

What would that mean? It would mean that the money formerly collected by the Federal Government which should be going into the national treasury would simply be transferred into the coffers of the provincial government. The same amount of money would still be collected in taxes, but instead, it would not be going out into the economy to provide purchasing power. That means

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that the full capacity of the Federal Government to meet the problems of inflation and deflation, the capacity to deal with unemployment, the capacity to finance a national health insurance plan, and all the other techniques which they stated they required, in 1945, are undermined.

I have not any doubt that, at this coming Federal-Provincial conference, whenever it is held (probably in September), we may be able to get as good a Tax Rental Agreement as we have now. I think we will. I certainly hope we will. But, Mr. Speaker, as was pointed out, the Tax Rental Agreement itself was only a very small part of the total benefits. As the 'Financial Post' pointed out:

“The total benefits which the provinces were offered in the 1945 proposals were as follows:

Tax or rental subsidy	—	\$198,000,000;
Old-Age Pensions	—	220,000,000; (that has been cleared up since)
Health Insurance	—	165,000,000;
Public Investment	—	130,000,000;
Estimates on care for the employable unemployed	—	1,000,000

That makes a total of \$635,000,000. What the provinces got under the Tax Rental Agreements was \$198,000,000. All these other benefits, including care of the unemployed, national health insurance and the public investment programme have not materialized. Under these public investment programmes we submitted a whole list of them, I think totalling about \$86,000,000, if I remember correctly, these projects which were provincial and municipal, and which, if I remember correctly again, were to be financed on the basis of 75 per cent by the Federal Government, 12½ per cent by the Provincial Government, and 12½ per cent by the municipalities. These were the kind of projects that would have enabled us, in a time of unemployment, to put in sewer and water, or to build recreation centres, or to build schools, or to build hospitals, or to put in sidewalks, and do all kinds of things that would improve communities and create employment. You can't make bricks without straw, and the Federal Government cannot finance those kinds of projects, if the Federal Government finds that the major taxpaying provinces have pulled out of the agreements.

Let us take this thing seriously. The Leader of the Opposition says, “Let's not play politics with this thing.” Well, my plan is that Ottawa should not play politics with this thing. If, when we gather in September, the Federal Government says to us, “There are going to be two kinds of agreements. There will be a Tax Rental Agreement for those of you who want it (and that will probably be seven or eight provinces), but for the provinces who want to stay out and collect their own tax, we will make a nice little arrangement like this”; then what we could very easily end up with, in 1957, would be about seven provinces in the Dominion-Provincial Tax Rental Agreement, and three provinces collecting their own tax.

If that happens it is not going to make a lot of difference to the total amount of money we will get under the Tax Agreement. I am not worried about that. I think we will get as much as we are getting now, I hope we get better. But what it will mean is, that the Federal Government will have less money to do these things which a Federal Government ought to be able to do in a federal system, namely, accept responsibility for able-bodied unemployed, look

after the health of people by helping to pay part of a national health insurance programme, and above all, to carry out a public investment programme of federal, provincial and municipal public works that will put hundreds of thousands of people to work across this country, if there are any signs of unemployment.

There is no reason why I should plead the case with the Federal Government. The fact does remain that the Federal Government needs the powers which it asked for in 1945. We were one of the first provinces to get up at that conference and say we were prepared to give them those powers — long before some provincial Premiers were prepared to give those powers; but we recognized that, just as we had during the war, to mobilize all our financial and physical and human resources to meet the danger of war, we might very conceivably, in times of peace, mobilize all our resources to combat unemployment and poverty and depression.

The real tragedy of the time in which we are living is that we have frittered away several years, and today there has not been set up the federal, provincial and municipal machinery to grapple with unemployment. There is no over-all public investment programme. There is no co-ordinated programme of public works. There is public works here and public works there, spasmodically, but not co-ordinated and not fitted in, for instance, to cope with seasons. One of the things that needs to be done is to plan our public works federal, provincial and municipal, so that we could get them to a certain stage by fall, such as close-in buildings and carry them through the winter so as to prevent seasonal unemployment. That is the sort of thing that has to be planned, but it has not been planned. There has been no co-ordinated programme at all. Each level of government and private business go their own way, resulting in one period when you cannot get men, and another period when you have thousands of men walking the streets.

We want to participate in that aspect of the programme as well, not just the Tax Rental Agreement of so many million dollars a year. Mr. King put it in the best terms I know when he described it as a programme for the maintenance of full employment and a high level of national income. You cannot put it any better than that. That is what the programme was designed to do, and you cannot do it if two provinces, representing two-thirds of the population of Canada, get out of the Tax Rental Agreements. The little bit that will be left — the few crumbs that will be left, will be pretty small to try to implement a programme such as the one I have just been talking about.

May I say one other thing before I sit down. The member for Saltcoats (Mr. Loptson) suggested, this afternoon, that the only reason why I had spoken out against this proposal of the Federal Government regarding allowing a 10-per cent deduction on income tax in those provinces where they have no tax rental agreement was because of personal vindictiveness against the province of Quebec, which, of course, is not correct. I have no vindictiveness against the province of Quebec or anybody else; but he also said that it was strange that I was the only person who took any exception to this proposal. But I noticed in the Winnipeg 'Free Press' . . .

Mr. Loptson: — Mr. Speaker, I said “the only Premier.”

Premier Douglas: — The only Premier — that is right. Well, I noticed that in the Winnipeg 'Free Press' the Hon. R.D. Turner, the Provincial

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Treasurer of Manitoba . . .

Mr. Loptson: — He is not the Premier.

Mr. Speaker: — Order!

Premier Douglas: — Now if my friend will just wait a moment. The Provincial Treasurer of Manitoba came out and said that this offer which Mr. St. Laurent had made to the provinces was a matter of grave concern and one with frightening implications.

Mr. Walker (Hanley): — Now, am I to assume that he was speaking without the concurrence of his Premier?

Mr. Loptson: — He might have been. The Provincial Treasurer here sometimes does.

Premier Douglas: — The Provincial Treasurer and I usually manage to say the same things, and certainly we don't have one going out condemning a certain programme and the other one saying it is all right. Of course Mr. Garson came into the province immediately, and the report said; "Garson tangles with Turner over tax plan." And Mr. Turner was then told, of course, that he had better behave and keep quiet.

But take some of the newspapers in Canada. Take a paper like the Vancouver 'Province'. In its editorial it said:

"Ottawa has decided to give a bribe to nearly 600,000 Quebec taxpayers. This will nail down the Government's political position in Quebec at the expense of taxpayers in other provinces.

"This is nothing more than a fat bribe to Quebec, one that will confirm in the mind of Mr. Duplessis and most of his people that it pays to hold the balance in Canada's political scale."

Mr. Loptson: — Mr. Speaker, I understand that is your speech reported in that paper, isn't it?

Premier Douglas: — No, I am reading from the 'Vancouver Province'. I am quoting from an editorial in the 'Vancouver Province', and I know where to put the quotation marks, which is better than the member from Saltcoats was able to do, this afternoon. He should have told the fellow who wrote that speech for him to mark the quotation marks in red pencil so he would know when the quotations ended and the speech went on.

The 'Edmonton Journal', in their editorial of January 19th, said:

"Prime Minister St. Laurent's proposal for settling the taxation dispute with the Province of Quebec, as tabled in the House of Commons, Monday, will astonish and shock most Canadians. It is one of the most complete surrenders in Canadian history."

And the Winnipeg 'Tribune' said:

“The arrangements look disturbingly like the beginning of the return to the old ‘dog-eat-dog’ days when each province provided for its own financial needs from its own resources.”

Those are from newspapers in Canada that are fairly reputable newspapers, so that the opinions which I expressed are shared by other people in Canada, and they are not shared because of any antipathy to our friends in Quebec or our friends in any other part of Canada. Our fears have two grounds; one, that preferential treatment or favouritism for any area in Canada can have grave consequences for national unity; but most important of all, fundamental to this whole thing is that this setting up of the machinery whereby provinces, particularly wealthy provinces, can do as well or better by getting wealthier provinces out of the present taxation agreement when it expires, with the result that the Federal Government will be unable to carry out the programme which this Government has been urging them to carry out ever since they announced their programme, in 1945.

I want to say that Mr. St. Laurent, as you know, has called a conference for April 26th and 27th, and he has stated in his letter that the purpose of that conference will be to set a date for a Federal-Provincial conference, and to discuss an agenda. I have written to him to suggest that, at that meeting, we should discuss some other things besides what should go on the agenda, and I hope we will. But I want to assure the members of this House and the people of this province that those of us who are representing Saskatchewan naturally will go to this conference to look after the interests of Saskatchewan. But there is something more. We are not only citizens of Saskatchewan, we are Canadians, and we will go there to support the Federal Government in any programme which it is prepared to bring down which is for the good and welfare of all the people of Canada. We shall not go to ask for preferential treatment for ourselves. We shall not ask for anything for ourselves that we are not prepared to see given to everybody else. We shall go there, if possible, to strengthen the Federal Government's hands, and to give it the necessary co-operation to cope with some of the serious and alarming problems which are not gathering on the horizon. I only hope that the Government at Ottawa realizes how serious some those problems are, and are prepared to give the provinces and the people of Canada some leadership. If they are prepared to give that leadership, they will find us ready to support them to the utmost.

Mr. G.H. Danielson (Arm River): — Mr. Speaker, I can assure you I am not going to take up very much of the time of this House. There are just a few matters that I would like to touch on.

When the Premier started his speech, he compared us to a ‘squid’ that muddied the water. I say the squid who muddied the water was the member from Hanley (Mr. Walker). He stirred up so much muddy water that the Premier wouldn't let him get away with it. I presume to say this. This resolution coming before the House is just his way of backing up the Premier in his attack on Quebec, on February 1st, when he made that radio address. That is my opinion, and I think I am correct in saying it.

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Now, insofar as this matter is concerned, there is really nothing serious about it. The province of Quebec is willing to turn over 90 per cent of their income taxes to the Dominion Government and they will keep 10 per cent themselves . . .

Mr. Walker (Hanley): — Oh, my gosh!

Mr. Danielson: — That is right, and I don't care how much they smile over there, or how much fun they try to make out of that statement; it is correct. They have a right to deduct 10 per cent from the income tax which is levied by Mr. Duplessis for provincial purposes.

Mr. Speaker: — Order! I might remind the hon. member that this is getting pretty close to tedious repetition; I have heard the same thing over and over and over again.

Mr. Danielson: — Oh yes, you have — about four or five times from over there to our one.

Mr. Speaker: — I am speaking to both sides of the House.

Mr. Danielson: — Well, I am going to say what I have to say whether it is repetition or not. I point out to you, Mr. Speaker, that the 10 per cent is going to be paid to the Premier of Quebec, or to the provincial government in the province of Quebec. Now the only thing they have advocated is that there are going to be a few people in Quebec, mostly small wage earners, and low income people who will not be liable for income tax in the province of Quebec, because the income tax level there is \$3,000, and in the Dominion of Canada it is \$2,000. But what has that got to do with the Dominion Government? I say, for one, that if the province of Saskatchewan levied an income tax, they would not, by a long way, get the amount of money that the Dominion Government is getting out of this province. After all, if the Premier of Quebec, or the government of the province of Quebec wants to do that, that is their business. If they are willing to create two classifications of taxpayers in the province of Quebec, I think the people of that province will tell Premier Duplessis what they think about that, because that is his money and not money belonging to the Dominion of Canada.

What is the agitation about? The Premier made a radio broadcast, and I have it here as it was reported in the 'Leader-Post' on February 2, 1955:

“The Saskatchewan Premier said he would have no objections had the Quebec taxpayers been allowed to deduct the amount of their provincial tax from federal income tax up to 10 per cent, provided that the province did not get any more than it would under a Tax Rental Agreement.”

Those are the Premier's own words, as quoted here. So it is not denied by the Premier himself that if the province of Quebec would come forward and accept a Tax Agreement like Saskatchewan and other provinces they would get at least \$20 million more. So what is his complaint on that score? There is no complaint on that score, because don't forget this, Mr. Speaker. The 10 per cent which is deducted from the Dominion income tax is still part of the income tax that goes to the province of Quebec. And if Premier Duplessis is willing to create

two classes of taxpayers in his own province that is his business. I do not think it will ever happen. This is a proposal and not an agreement as yet, and I think Mr. Duplessis will be bright enough and his government will be bright enough to take care of that situation by legislation and the taxing power that they possess in the province of Quebec, just like any other province. I do not think there is anything to this agitation at all.

But here, these C.C.F. fellows should get together. They should call in Mr. Coldwell and the gentleman, Mr. Knowles, from Winnipeg, and your member for the City of Regina, and ask them what they had in mind when they also declared, openly, that they were willing to go so far as to give Quebec more than this agreement would give them, far more than this agreement would give them. My friend laughs over there — did you read it? Did you read the ‘Commonwealth’? If you haven’t, go back and read it. That is your means of education, anyhow. That is what you should read. So there is absolutely nothing to this agitation, Mr. Speaker. It is purely a political dodge to distract the people of the provinces. There is no doubt in the world that, by this agitation, you might hope to stir up certain reaction in the province of Ontario which might possibly enhance the C.C.F. party in the next election in that province.

Mr. Cameron: — Not in Quebec, that’s for sure.

Mr. Danielson: — Certainly, by no means of reasoning can we accept this as being of any vital concern to the province of Saskatchewan and the other provinces of the Dominion of Canada. None of the other provinces has come out and made an attack on one province in the Dominion, in a matter of this kind. It is a matter that does not concern us, and, by the way, this Tax Agreement was in operation for years with Ontario on the outside and Quebec outside; I don’t think British Columbia came in until it had been in operation for a year or two . . .

Hon. Mr. Fines: — That isn’t right.

Mr. Danielson: — The Premier just admitted — he said that if Ontario steps out or some other province steps out, we will not get less money than we are getting now. That is quite an admission coming from the Premier of this province, when he has a resolution here condemning the Federal Government for a thing that hasn’t happened yet. This is just a proposal. If it is accepted it will go through, but it has not been accepted by Mr. Duplessis, and this whole thing is anticipating something to happen. A political agitation, pure and simple, for purely political purposes, that is all it is, and I certainly am going to vote against this resolution, because I would not be a party to passing a resolution in this Assembly that would condemn the province of Quebec.

My friend from Hanley, when he spoke on this resolution, used the words ‘conspiracy’ and ‘sabotage’, ‘destroying the principle of uniform taxation’, ‘abject surrender’, and so on. Then we hear this: “Mr. Duplessis is anxious to tax the money barons and protect Quebec’s backwoods, where he gets his votes.” Now, is that right — coming from the Legislature of the province of Saskatchewan, attacking a sister province? If that is the case, Mr. Speaker, I will have none of it as far as I am concerned, and I do not think anyone on this side of the House will associate themselves with that sort of attack, and you

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are not going to make any votes by it in the long run.

Mr. Speaker: — It is my duty to inform the House that the mover of the motion is about to exercise his privilege to close the debate, and if any member wishes to speak he must do so now.

Mr. Walker (Hanley): — Mr. Speaker, I want to say, first of all, that there is no mention or nothing in what I have said, or nothing in what any speaker on this side of the House has said, which can be taken, by any stretch of the imagination, to be offensive to the people of Quebec. I want to dissociate myself completely from the accusations that have been made from the other side of the House to that effect. All my hon. friends are trying to do, of course, is to stir up the usual smokescreen to hide their political embarrassment. Mr. Speaker, I would beg leave to adjourn the debate.

Mr. McDonald: — Again?

(Debate adjourned)

SECOND READING

Bill No. 75 — An Act to amend The Larger School Units Act.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, this is an Act to amend The Larger School Units Act, whereby the Unit Boards may invest surplus funds in certain stocks, bonds and securities, according to the mention made in the amendment. Secondly, it provides for capital expenditure out of revenue, and there shall be a limit beyond which the Unit Board may not go without permission of the Local Government Board.

It is proposed that for such expenditure out of revenue or for the purpose of setting up a reserve for capital expenditure, the limit will be three mills of taxation, unless they get permission from the Local Government Board to go beyond that point.

The third factor which perhaps should be mentioned is that this implements the increases in grants which have been in previous Acts implemented for other types of schools and organizations. The formula, again, is that grants will be such as when added to taxes at the rate of 15 mills on rural property, 19½ on urban property, will provide for a programme costing \$3,040 for elementary rooms and \$3,240 for high school rooms.

The remainder of the Bill can be discussed in Committee, and I would move the Second Reading.

(Motion agreed to; Bill No. 75 read the second time.)

Bill No. 80 – An Act respecting Sand and Gravel and certain other Minerals.

Hon. J.H. Brockelbank (Minister of Natural and Mineral Resources): — Mr. Speaker, in 1931, just about the year after the province got the natural resources turned over from the Dominion, The Mineral Resources Act was passed, which defined mineral and mine to include sand and gravel. From that time it has been recognized by practically everyone in the province that these rather lowly materials, sand and gravel, were minerals under the meaning of The Mineral Resources Act of the province.

This Bill respecting Sand and Gravel and certain other Minerals is being introduced in the House for the Purpose of clarifying the situation as to these minerals and certain others, because of a certain cloud of doubt which was raised as the result of a law case in the province of Alberta. This Alberta case was not a parallel case with what might have been raised in Saskatchewan. I understand that the Alberta case dealt with the question of a reservation of minerals in a transfer, whereas the question here would, to a very great extent, be the reservation of minerals in a grant or title; and so we cannot take the Alberta decision as being the ultimate in removing all doubt. But because of this situation, we thought it wise to introduce this Bill.

The Bill deals, first of all, with sand and gravel and it will have the effect of making all sand and gravel which can be recovered from surface operations, the property of the owner of the surface. Other sand and gravel, which would have to be recovered by underground mining, of course, would continue to be owned by the owner of the mineral rights. Naturally, this will create some disturbance, and so it is necessary to have a clause in the Bill protecting people who, under the ownership as everyone acknowledged it, acted in good faith in either the removal of sand or gravel, or in the authorizing of the removal of sand or gravel; a clause to protect this group of people from any action when they did this in good faith.

The Bill also deals with certain types of clay, and the reason for that is that the same shadow of doubt, to at least a limited extent, applied in this respect. The Bill provides that, without any question, ceramic clays and certain other kinds of clays, and industrial clays, with the exception of clay used in construction of roads and dams (we are still hopeful that there may be use for some clay in Saskatchewan in construction of a dam) will be excluded; but these other clays will be owned by the person who owns the mineral rights on that land, and likewise, in this connection, there is a section which will protect all of those people who have had something to do with the handling of clay and who acted in good faith, from any action.

Details of the Bill can be further discussed in Committee. I would now move that Bill No. 80 be read a second time.

(Motion agreed to; Bill No. 80 read the second time.)

The Assembly adjourned at 10.00 o'clock p.m.