ONTARIO

DEBATES and PROCEEDINGS

of the

2nd Session of The 23rd Legislature of The Province of Ontario

Toronto, Ontario.

THURSDAY, FEBRUARY 16, 1950, ET SEQ.

VOL._____

Volume 1

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS SIXTEENTH DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK P.M.

Toronto, Ontario,
Thursday, February 16, 1950,
3.00 o'clock p.m.

3.00 o'clock p.m.

And the House having met.

The Honourable The Lieutenant-Governor of the Province then entered the House, and being seated upon the Throne was pleased to open the Session by the following gracious speech:

HON. RAY LAWSON (Lieutenant-Governor): Mr. Speaker and Members of the Legislative Assembly:

As you resume your duties at this second session of the Twenty-third Legislature of the Province of Ontario I am happy to extend my best wishes to each of you, more especially to those of you who have become members since this Legislature last met. I am sure that as the elected representatives of the people of this great Province you will give sincere thought and sound judgment to the problems brought before you for your consideration.

The great progress and expansion which have been the experience of our Province during the last few years have continued undiminished. Industrial growth has been strong and soundly founded. The population has continued to expand in a substantial way and prospects for further and greater growth may be expected with confidence in the years to come. In the vast area which comprises Ontario the possibilities in every field of human endeavour are unlimited. You will do your duty well as legislators with your eyes constantly trained on the betterment of every condition which will bring encouragement, security and sound living values to our people as an integrated part of a great nation. The jealous preservation of initiative and freedom is our inherited and valued responsibility. Everywhere opportunity is at hand. With expansion and development have come many problems which can be solved in a balanced manner consistent with steady progress and our financial resources.

My Government is pleased to report that during the last months a Federal-Provincial conference has been held and is continuing, with the purpose of finding the ways and means of amending our Constitution as desirable, wholly within the power and discretion of the people of Canada. Further conferences between the Governments of Canada and of the provinces will be convened during this year for the purposes of clarifying and defining respective responsibilities within many particular fields. The Province of Ontario repeats freely its many-time offered willingness to work with the Governments of Canada and of the other provinces to the fullest extent, in a deeply responsible spirit of co-operation of understanding and of mutual goodwill.

The Government views as of most far reaching importance the co-ordination and integration of the endeavours of all Governments, -Federal, Provincial and Municipal, in the administration of the public affairs of the people of this great nation faced as we are with great difficulties and dangers from without. The times in which we live call for united efforts.

During the last six years very great progress has been made in the broad field of education. In order to approach equality of opportunity, very large sums of moneys have been contributed by the Province to the cost of education. Annual contributions have reached five times the sums provided at the beginning of that period. Methods of determining the most effective distribution of provincial contributions have been under constant examination, and changes in these meth-

ods have been made from time to time, and will continue to be made as experience is gained and studies progress. Sound and careful standards in elementary and secondary education, coupled with constantly improved teaching methods provide the foundation for a vigorous and healthy people. The Royal Commission on Education has made an interim report for consideration and study, and further reports are expected this year. We must bear in mind that in our changing province we must ever be alert to the best of methods in that all-important field.

The provision of comfortable and secure housing conditions for our people has been receiving close attention. Toward this end the Province of Ontario has loaned more than seventeen millions of dollars within the last two years, enabling over fifteen thousand Ontario families to own their own new homes. Large grants have been made to municipalities to assist in the cost of installing services. This has removed a considerable burden from the municipalities. In conjunction with the Government of Canada, not only will this aid to home owners continue, but arrangements are in course of completion which will stimulate the construction of many thousands of new low-cost homes where they are most needed. The greatest encouragement and assistance will be extended, to enable those who will occupy these low-cost homes, to own them. You will be asked to give your consideration to measures which will implement these arrangements and which will relieve our municipalities of many burdens which they have previously borne.

Conditions quite beyond the jurisdiction of a provincial Government, such as world trade conditions and the maladjustments arising from the non-convertibility of sterling into dollars, have had their effects upon employment. The Government of Ontario has offered to integrate its plans with those of the Federal Government to assist the latter in maintaining a high level of employment. Control of conditions related to trade and commerce, upon which employment in main rests, come within the purview of the Federal Government. Nevertheless, by co-ordinated effort, the Province and its municipalities can do much to assist. In the past year very large investments of money have been made in capital outlays by the Government, its agencies and the municipalities. This program is continuing. The Hydro-Electric Power Commission is undertaking enormous development projects which have a profound effect in many trades. A very extensive highway construction program is in progress. Because of the expansion of the Province, some twenty-five millions of dollars are being expended each month, with the consequent employment of many thousands of our people. This is the largest public investment program ever undertaken in Ontario. Extending over the next few years, the construction of much needed mental hospitals, delayed by the war and its aftermath of shortages, will be added to the enormous construction program, and already, very substantial work is in progress.

The new Montague Hospital near Smiths Falls, ultimately to accommodate 2400 mental patients, will be ready for partial occupancy in the very near future.

A new mental hospital at Aurora will open within the next month, and construction of a mental hospital at the Head of the Lakes will be commenced shortly.

New office facilities are needed urgently for the administration of the affairs of Government and for the accommodation of agencies of Government. These are in addition to municipal works and the housing requirements of our people, both of which will be at a high level during coming years.

The Province is most anxious to integrate its endeavours with those of all Governments and the Provincial Government has indicated that it is prepared to unite its efforts with those of the Federal Government to stabilize employment in these difficult days of adjustment, brought about, as they are, by world conditions beyond the control of the Provincial Government. My Government has indicated that discussion and action need not await a Federal-Provincial Conference.

Since the introduction of capital and maintenance grants to public, general and convalescent hospitals in 1947, great strides have been made in the provision of hospital accommodation. This form of assistance to the better health and welfare of the people will continue.

Ontario is blessed with most extensive natural resources which have contributed greatly to the wealth of the Province. It is realized keenly that they are the source of even greater wealth and every endeavour will be exercised to ensure their conservation and wise development. Of special importance is the broad expansion in the exercise of the newest principles and practices of conservation within the more settled parts of

the Province. The elimination of flood conditions, the prevention of soil erosion, the rehabilitation of depreciated lands and the maintenance and spread of wooded areas are receiving close study. A program of aerial survey of the northern forests is rapidly approaching completion. Its purposes include the creation of a forest inventory, the improvement of the methods of timber management, and the best utilization of our forest resources. Very considerable research has been done, and is continuing actively, which will improve the conservation of fish and wildlife within the Province. You will receive a report from the special committee on Conservation, which you appointed at your last session.

It is proposed that methods be provided which will facilitate the construction of water works, sewage disposal plants, incineration plants, works for the elimination of pollution, and related services, especially within the smaller municipalities. You will have submitted to you, a measure providing for the creation of a Municipal Development Corporation the purpose of which will be to loan to municipalities at a favourable rate of interest, the moneys necessary to carry out such projects, where the burden of other methods of financing may be too heavy.

Of the greatest concern to my Government is the constant study of the conditions of labour and their betterment. Very careful consideration has been given to this important and vital factor of government and a measure will be introduced for your consideration which will set out a labour code for the Province of Ontario.

In projection of the study of labour conditions

a Royal Commission was appointed for the purpose of studying and re-examining the existing legislation relating to Workmen's Compensation. Many sittings have been held and you will be informed of its findings and recommendations. It is the desire of the Government that our Workmen's Compensation provisions should be the very best in force anywhere.

Agricultural development within the Province is under constant and critical consideration. The farmer and the city worker are of equal significance to the expansion and progress of the Province and the maintenance of a sound and reasonable balance between the diverse economics of the farm and the city is of great value and importance to our advancement.

The aftermath of war, and, in particular, currency difficulties, have created problems for this great industry. We however have made great progress. With the assistance of very largely increased provincial grants township roads have been very much improved. In the last half dozen years the blessings of electrical energy have been made available to an additional half million of our rural people, while community centers, athletic fields and rinks are adding to the attractions of rural life.

The Department of Agriculture is engaged in a multitude of activities tending to improve Ontario's great agriculture industry. This industry is also very largely dependent upon world trade, and the Government, through the Department of Agriculture and other departments, is doing everything within its power to co-operate with the Federal Government and all other agencies to

maintain and improve agricultural conditions.

The great development program of The Hydro Electric Power Commission is proceeding and is ahead of schedule. This year will witness the addition of very large blocks of electrical energy which will remove the threat of shortage. In our growing province, however, additional power for our future requirements is needed. Developments at Niagara and on the St. Lawrence are becoming more pressing, and the Government has urged the governments of Canada and the United States to complete the treaty requirements which are a necessary preliminary to the Province of Ontario and the State of New York getting on with this all-important work.

During the coming session many measures designed to further the development and better the conditions of our people will be submitted to you for approval. A survey of the fiscal condition of the Province will be presented together with the plans for the ensuing year. The Public Accounts for the last complete fiscal year and the Estimates for the year 1950-1951 will all be placed before you for your consideration. Details of the Province's great public investment program will be given to you.

Among other matters coming before you will be legislation concerning the audit of the Public Accounts, the registration of partnerships, improvements in the administration of The Real Estate and Business Brokers Act, Survivorship, Municipal government and assessment, The Ontario Municipal Board, Highway Traffic, improvements to The Mining Act and The Mining Tax Act. amendments of The Hospital Aid Act and The Public Health

Act, The Ontario-Manitoba Boundary, and concerning Crown Timber and Public Lands.

You will also be asked to give your consideration to a measure concerning discriminatory covenants in deeds.

I am happy once again to extend a word of appreciation to the members of the Public Service. Through their loyal efforts your work in the interests of the people is carried into administrative action. Grateful thanks are extended to those who have reached their retirement during the past year, and we remember with respect those who have died.

May your deliberations in the interests of the people of our Province be guided by Divine Providence.

(Page 11 follows)

His honour was then pleased to retire.

Mr. Speaker in the Chair.

Prayers.

Mr. Speaker then reported that to prevent mistakes he had obtained a copy of his honour's speech, the reading of which was dispensed with.

MR. SPEAKER: I beg to inform the House that I have received during the recess of the Assembly, as provided by the revised Statutes of Ontario, 1937, Chapter 12, section 32 (1), notification of a vacancy which has occurred in the membership of the Assembly since the last session thereof, through the death of Mr. Walter Bain Reynolds, member for the electoral district of Leeds, also that writs were issued for the election of members to serve in the present Legislative Assembly for the following electoral districts:

The electoral district of Cochrane North.

The electoral district of Leeds.

I beg to inform the House that the clerk has received from the Clerk of the Crown in Chancery and has laid upon the table certificates of the election of members since the last Session of the Assembly, as follows:

Electoral district of Cochrane North, Marcel Leger.

For the electoral district of Leeds, Hugh Alexander Reynolds.

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, I have the honour to present Mr. Marcel Leger, member-elect for the electoral district of Cochrane North, who has taken the oath, signed the roll, and now claims a seat in the Assembly.

MR. SPEAKER: Let the hon. member take his seat. (Hear, hear).

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, I have the honour to present Mr. Hugh Alexander Reynolds, the member-elect for the electoral district of Leeds, who has taken the oath, signed the roll, and now claims a seat in the Assembly.

MR. SPEAKER: Let the hon. member take his seat. (Hear, hear).

MR. SPEAKER: Introduction of Bills.

ONTARIO MUNICIPAL IMPROVEMENT CORPORATION ACT

Hon. GEORGE H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I beg to move, seconded by Mr. Challies, that leave be given to introduce a Bill intituled "An Act to Incorporate the Ontario Municipal Improvement Corporation," and that same be now read for the first time.

MR. W. B. JOLLIFFE (Leader of the Opposition): Would the hon. Minister (Mr. Dunbar) give a word of explanation?

MR. DUNBAR: Mr. Speaker, this is a new Act establishing a Crown Corporation for the purpose of purchasing debentures issued by municipalities for,

(a) waterworks and water supply distribution systems;

(b) sewage works, treatment works, sewer system or sewer, as defined in section 405 (a) of the Municipal Act;

(c) plants and works for the incineration of garbage, refuse and wastes; and

(d) draining works under The Municipal Drainage Act.

The municipal debentures to be issued in the same manner as if they were to be sold to the investing public; that is, the construction of the works must be approved of by the Ontario Municipal Board as required by Section 70 of the Board Act, and must be validated by the Ontario Municipal Board as required by the Board Act.

Provision is made for the passing of the necessary regulations for the operation of the Corporation.

The raising of funds by the Municipal Improvement Corporation and the purchase of municipal debentures by such Corporation, must be first authorized by the Lieutenant-Governor in Council.

Motion agreed to; first reading of the Bill.

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Doucett, that the speech of the Hon. the Lieutenant-Governor to this House be taken into consideration Tuesday.

Motion agreed to;

HON. L. M. FROST (Prime Minister): At this time of opening the second session of the Twenty-Third Legislature of Ontario, we regret the illness of certain of our Members. We are glad that the Members from Russell, West York and Bellwoods will be back with us shortly. We are all concerned, however, with the serious illness of two of our other Members.

Our good friend, the Honourable Minister of Health, Russell Kelley, a very much beloved man who has given

himself untiringly and unsparingly in service to the people of this Province -- too untiringly and unsparingly for his own physical limits -- is seriously ill. I know that I express the hope of everyone here that Mr. Kelley will shortly be restored to health. I am glad to say that he is showing very remarkable improvement. His son and daughter, who are with us today, have told me that this improvement is better than they could have expected. It is the hope of all of us that he will eventually recover from his very serious illness and be with us again.

You will also be pleased to know that our good friend the former Attorney-General, the Honourable Member for Eglinton, Leslie Blackwell is also improving. There is every indication that he will be back with us again fully restored to his former rugged self. I am sure that those of us who have known him over the years will greatly miss him during his enforced absence. I personally shall miss him greatly..... a former townsman of mine and one with whom I have been so closely associated for a period of some years. It is regrettable that one who has suffered so much for his country, bearing the marks of honourable wounds which he sustained at the great battle of Amiens thirty-two years ago, is subjected now to a further period of illness. We shall miss his great qualities of head and heart in our deliberations here and we hope that he may be back with us again before the Session ends.

I am sure that it is the hope and prayer of all of us that those who are ill will be restored to health and that our associations with them may be renewed once again.

Now, Mr. Speaker, I have perhaps more happy observations to make today. At this Session, we have with us some veterans of other days. We have five former Prime Ministers with us. The dean of them is from my old native County of Simcoe, the Honourable Ernest Drury. He was Prime Minister of this Province from 1919 to 1923. Those of us from Simcoe County are clannish. We are proud of the part the County has taken in our history. We do not forget that our first citizen, Etienne Brule, found time to discover Toronto. Thus in 1615 it was a Simcoe County man who discovered the site of this great city. It is a great pleasure to have Mr. Drury with us today and to see that he has nearly as much vigour as he had in those days of thirty years ago. This is probably explained by the fact that he comes from the old County of Simcoe.

We have another great old veteran here, my former leader, colleague and desk mate, the Honourable George Henry. For a number of years I was his desk mate sitting in the benches opposite. He was indeed a valiant warrior. Many of us have vivid recollections of Mr. Henry's great battles on the floor of the Legislature for matters which he considered to be of public importance. I do not want to put any ideas into the heads of the Honourable Members of the Opposition, but in those days when Mr. Henry felt strongly on any subject, he would not hesitate to orate throughout the afternoon and often late into the night in order that he might impress upon the House the importance of the subjects which he was considering. He, in his day, made a great contribution to Ontario and we are pleased to have him with us today.

We have another former Premier in the person of the Honourable Gordon Conant who is still in the public service. For six years he carried on the onerous duties of the Attorney General in this Province and he later in 1942 and 1943 served as its Premier.

And then we have our good friend the Honourable Member from Brant, the Honourable Harry Nixon. He is the dean of this House. He has been a Member of this Legislature for thirty-one years, which I believe is the longest span that any one man has continuously represented any one riding. He is certainly the senior member of the House. He came here with Mr. Drury in 1919 and he like Mr. Drury, despite thirty-one years, has preserved his youthful appearance.

Then we have on this side of the House one of my colleagues and valued advisers, the Member for Peel.... throughout his lifetime the farmers' friend, the Honourable Tom Kennedy. He served as Premier in 1949 and 1950 and is a grand old veteran in the days of both peace and war.

The endeavours of the lifetimes of these gentlemen cover a great span of the history of our Province. Much of the history of this Province over the last thirty-five or forty years is the history of their public lives. It is a great honour and privilege to have them with us today and we wish them health and happiness.

Now, Mr. Speaker, there is another matter of historical interest to which I should like to refer the Honourable Members of this House assembled here today. The chair in which you are sitting, Mr. Speaker, and from

which His Honour, the Lieutenant Governor gave his gracious speech this afternoon is the chair which will be presented very shortly by the Province of Ontario to our new partner the Province of Newfoundland. This chair, used today at this Opening of the Second Session of the Twenty-Third Legislature of Ontario will carry with it the associations of these opening ceremonies. It will carry with it greetings of His Honour the Lieutenant Governor, from the Members of this House and from the people who are here assembled. It will carry with it some of the atmosphere of this ancient Assembly which goes back some 158 years to a summer afternoon on the side of the Niagara River when Colonel John Graves Simcoe called together the first legislature of this Province. Since that time our associations have been close. From a forgotten corner of our history, men from Newfoundland came to this Province in 1812 to join with the men and women of Upper Canada in the defence of their own province. Many of us here were associated with their fine forces in the two great world wars and now today we are proud that they are associated with us at occupying the tenth chair completing the vision of the Fathers of Confederation of eighty-three years ago when they saw a Dominion stretching from Newfoundland to British Columbia.

May I say, Mr. Speaker, that it was a very great thrill for those of us who attended the recent Dominion-Provincial Conference to finally see the tenth chair occupied by a representative of that great province.

Now we are enriched with their history, with their great resources and above all with the courageous spirit of those people who go down to the sea in ships.

With this chair, Mr. Speaker, goes our thanks for past associations extending back to the early days of last century, into those troubled days when the future of Ontario, indeed of Canada was in doubt. With it goes our respect for their inspiring history and traditions. Our pride in a great new partner and with it all our very best wishes for a prosperous future in this great country Canada.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, on this occasion I should like, first, to extend our congratulations to the two new hon. members of this House, who took their seats here today. That, I am sure, represents the spirit and wishes of all opposition members, and express the hope that they will remain with us and may have a long and happy life.

I should also like, Mr. Speaker, to offer a word of congratulation at this time to the hon. Prime Minister (Mr. Frost). It was following the last session of this House that he became the leader of his party, and, thereafter, the Prime Minister of Ontario. I may say that the event was not unexpected, and I am sure it was a source of great satisfaction to his many friends and admirers.

We share with him and the other hon. members of this House our feeling of regret that the hon. Minister of Health (Mr. Kelley) and the hon. member for Eglinton (Mr. Blackwell) are not here today. We have noticed from time to time the many activities of the hon. Minister of Health (Mr. Kelley), and we have heard with some misgivings of his own failing strength, and we do hope it may be possible for him to return here in the not too distant future.

I think it is reasonable to expect that the former Attorney-General (Mr. Blackwell) may again take his seat at this Session, and we wish for him a speedy and early recovery.

Mr. Speaker, one other recent development might possibly be noted here, and that is in connection with measures which have been taken, as is quite apparent to the observant, to enable the hon. members of this House

and others to escape from this place speedily if the need should arise. We all hope this expedient will not be required, but we are, however, a little concerned to notice that most of the escapes are fashioned out of wood. That probably was due to the influence of the hon. Minister of Lands and Forests (Mr. Scott) (Hear, hear). However, it is something to know that if the worst comes to the worst, we shall be able to be not only pursued but accompanied by the hon. gentlemen opposite.

I was very much interested in the remarks of the hon. Prime Minister (Mr. Frost) concerning the veterans and former members of this House who are present here today. There are not only the present hon. Prime Minister but two former Prime Ministers of the House, and possibly three. There are others who are no longer in the House, but who found it possible to attend today.

I recall at the opening of the 21st Legislature there were six or seven former Prime Ministers of Ontario present, two of them---I think the late Mr. Ferguson and possibly another---are no longer living, but it is gratifying to see Mr. Drury, Mr. Conant and other former Premiers withus today, as well as Mr. Henry. We wish them well, and a long life and happiness in the province where they have so long been active.

Mr. Speaker, the chair you occupy is a most fitting presentation to the new Province. Speaking as one who gave it a tentative trial, I can testify that it is a splendid piece of work. It may lack something in comfort, like all legislative features (hear, hear), but what it lacks in comfort, it enjoys in precedent, and it does seem to us to be a wholly appropriate expression of our good wishes.

I trust, Mr. Speaker, that some time during this session it may be possible for you to let us know something about the chair's arrival. Today, we can only repeat what we tried to make clear, inthe last Session, that all of our good wishes and our very warmest welcome go out to the people, citizens of that great province, which has now joined into partnership withus, and I am sure that there will always be the most friendly relations between the Maritime province and this great Province of Ontario.

I, therefore, trust that the chair which you are temporarily occupying, Mr. Speaker, will safely reach its destination. I trust also, Mr. Speaker, that it will not carry with it any infection such as you are suffering from at the present time, and I say in all sincerity that we were much concerned during the last day or two about the affliction which struck our hard working Speaker, and it is very gratifying to notice today that it appears to be vanishing.

I have to report to this House that it has not yet reachedany hon. member of this opposition group, and perhaps it would be well to suggest to the hon. members opposite thatthey take into consideration what emergency measures would have to be taken if it should strike every corner of this House, and each hon. member would lose his voice. (Hear, hear).

MR. FARQUHAR OLIVER (Grey South): Mr. Speaker, I would like to share with the hon. Prime Minister (Mr. Frost) and the hon. Leader of the Opposition (Mr. Jolliffe) our anxiety over the two hon. members opposite who are ill at the present time. Those of us who have

known the hon. Mr. Kelley (Minister of Health) appreciate that in him we have a man who has shown unswerving loyalty to public service, He kept on doing his job as he saw it long after he should have taken it more easily.

Hon. Mr. Kelley was at one and the same time a kindly man, and a very human person. I think we will all agree with that,

As far as the hon. member for Eglinton (Mr. Blackwell) is concerned; we do miss him from this house, and I wish the hon. prime minister (Mr. Frost) would convey to the hon member for Eglington (Mr. Blackwell) just how badly we do miss him here, and our hope for his speedy recovery, and such a message may assist in bringing about his complete recovery.

To say the least, the hon. member for Eglinton (Mr. Blackwell) has brought to this house a refreshing voice? While we may not always agree with what he said, he was one who had no hesitation in stating his convictions very forcibly on the floor of this Legislature? So he will be missed, and we do join with the hon. the Prime Minister (Mr. Frost) in the hope that he will soon be restored to his usual good health, and be able to be with us before this session ends.

I do congratulate the government upon their provision for fire escape. I am a little concerned about the hon. leader of the Opposition (Mr. Jolliffe), and I am glad that his anxiety has been removed, and that there are today proper facilities for a quick exit from this chamber, should the opportunity arise?

SOME hon, MEMBERS: Hear, hear?

MR. OLIVER: Personally, we in this group are not seized with any,,,,,

foreboding; we were not particularly alarmed about the situation, but it is well at the commencement of this Session that there should be harmony, but better and more important than harmony, there should be peace of mind amongst all component parts of the Legislature.

Why I say, Mr. Speaker, that I do join with the two leaders in congratulating and expressing our pleasure at the presence here today of former Prime Ministers. They were Prime Ministers of this province when this province was much younger than it is today. They walked hand in hand with the progress of this province and they have become and are part and parcel of the fabric of this province and I think it is a fine gesture, Mr. Prime Minister (Mr. Frost) to have these men on the floor of the Legislature at the opening of this Session, and to draw the attention of the House to the things which they have done. (Hear, hear)

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, the opportunity for such friendship and felicitous expressions are so rare that I do not want to deprive the House of any bit of them.

I am extremely sorry, Mr. Speaker, that my colleague, the hon. member for Bellwoods (Mr. MacLeod) and the leader of this small but influential group in this House (Hear, hear) is unavoidably absent. He, too, is not well, and I am sure he would have added something very special and unique, for which he is well known both inside and outside the Legislature.

However, I do want---and I am sure he would want me to make these expressions which have been uttered unanimous.

It is only for that reason I rise to say a few words on behalf of this small group? By the way - and simply as an aside - it may serve as an encouragement to small groups in other Legislatures of all parties who are, in certain places, no larger than my group here , to also rise and speak on behalf of their groups?

Now we are very genuine in our expressions of congratulation to the new hon,, Prime Minister (Mr. Frost) - abd may I assure him that I mean every word I say? If we have to have a Conservative government -- and I would rather we had not---

SOME hon, MEMBERS: Oh, oh?

MR. SAWBERG: ---I think the present hon, Prime Minister (Mr. Frost) is one who will be appreciated by all hon, members of the opposition, who will have to work harder than normally to arouse the necessary spirit of opposition in this House, because of his leadership?

We join with all groups in extending our appreciation and our welcome to those who have managed the affairs of this province in the past, who are with us today?

We do not agree with all things at all times - perhaps not even often? There are things shich were done which long ago have already been undone, and many good things have been done which will undoubtedly live through the years, to the credit of these gentlemen, and for the benefit of the entire province? We are glad to see them here.

Also we join in the hope which has been expressed from all sides that the hon, minister of Health (Mr, Kelley) and the hon, member for Eglinton (Mr, Blackwell) will soon be with us again? We have a very high regard for the hon, Minister of Health (Mr, Kelley), and we all want to see

the hon. member for Eglinton (Mr. Blackwell) in the House to continue making his very able contribution. He is always stimulating, and always has something worthwhile to say, and we hope he soon will be back.

Now, Mr. Speaker, in regard to the chair; may I suggest to the hon. Prime Minister (Mr. Frost) that perhaps it would be a fully-appreciated gesture if either you, Mr. Speaker, or a representative body from all groups of this House should accompany this chair and present it formally to the Legislature of the newest province. I am sure that those chosen by the hon. Prime Minister (Mr. Frost) would find no opposition, and would not hesitate to accept this dignified task.

Now, much has been said about "escaping" and "not escaping." I would conclude by saying that even without the changes made, there was never any difficulty in the hon. members escaping if they wanted to. It is, however, a fact that those who were eager or willing to escape were very few and far between. It is a matter of record that most of the hon. members attend the Sessions and occupy their seats regularly, and if they do not, it is purely because they are victims of circumstance rather than choice, and I am sure we will never have need for using the special exits as emergency exits, but will be using the normal means of getting out of the House. The hon. members here will, I am sure, not want to make use of these opportunities, since we all are convinced in our own minds that we have a tremendous contribution to make, and it will be a great loss to the province if any one of us failed to return.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: I am sure we will all continue to do our utmost for the province and for the people who sent us here.

SOME hon. MEMBERS: Hear, hear.

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House perhaps I can add my word concerning the unanimity of feeling as expressed here today, and to the hon. Leader of the Opposition (Mr. Jolliffe) and other hon. members for their kind references to myself.

It may be too much to hope for continued unanimity, but I do hope that the year 1950 will be noted for full agreement in what we are about to undertake.

I hope, as leader of the government, that I may so conduct myself in public life that the legislation which will be brought forward by us will be of assistance, and will command the unanimous support of the House, which will continue thrughout the present Session.

Mr. Speaker, on this note of a hope for continued unanimity, I move that the House do now adjourn.

May I say for the information of the hon. members, that tomorrow we will have the introduction of Bills, which is customary at the opening of a Session, and will proceed with the Throne speech next Tuesday, leaving Friday and Monday for the introduction of Bills and other business, to enable the hon. members to spend the week-end at their homes.

I move the House do now adjourn.

Motion agreed to.

The House adjourned at 4.17 p. m.

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P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS SEVENTEENTH DAY OF FEBRUARY, A. D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK P. M.

Toronto, Ontario,
Friday, February 17,1950,
3 o'clock p. m.

3.00 o'clock p. m.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Doucett, that during the present Session of the Legislative Assembly provision be made for taking a stenographic report of the debates and speeches, and to that end that Mr. Speaker be authorized to employ the necessary stenographers at such rates of compensation as may be agreed to by him; copies of stenographic reports to be supplied to The hon. The Lieutenant-Governor, to Mr. Speaker, to the Clerk of the Assembly, to the Legislative Library, to each member of the Assembly, and to the offices of the leaders of each party represented in the Assembly, and to the reference libraries of the province and to the press gallery.

MR. WILLIAM J. GRUMMETT (Cochrane, South): Mr. Speaker, do I understand that this motion now precludes the printing of Hansard, as we have been in the habit of doing for the past three or four years? If so, Mr. Speaker, I wish to protest the step now taken by the government.

MR. SPEAKER: Will the hon. member (Mr. Grummett) allow the question to be immediately answered instead of continuing with his explanation? Would that be satisfactory?

MR. GRUMMETT: Yes.

MR. FROST: Mr. Speaker, we are proposing a different course than we have taken in the last two or three years. I wish

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to make a statement to the House on the matter of the official record of the debates of the Legislature of Ontario. In 1944 the Government adopted the policy of transcribing a limited number of copies of the record of the proceedings and debates of the Legislature of Ontario. As I recall, some twenty typewritten copies were prepared for distribution to the Ministers, the Leader of the Opposition and a few others. A copy was also placed in the legislative library and made available to the members of the legislature and any others who requested it. The cost of the stenographic reporting, transcribing and other incidentals connected with the preparation of this record amounted to less than $4,500. The next year, in order to increase the number of copies available for distribution, we introduced mimeographing and the cost of the Ontario Hansard rose to nearly $8,000. In 1946 there was only a small increase in the cost, but in 1947, as a result of the decision to print copies, the cost of preparing the Ontario Hansard rose to $26,730. No expenditures were incurred in that year for mimeographing, but the cost of printing, including binding and paper, amounted to $21,147. There was a slight reduction in cost in 1948, but during last year's eight-week session the cost of reproducing the debates amounted to $47,812.

An analysis of the rise in these costs reveals the following facts:

(1) The cost of stenographic reporting and transcribing more than doubled between 1944 and 1949, rising from $4,200 to $10,321.

(2) The cost of mimeographing, including paper, stencils, ink, etc. amounted in 1949 to $9,667. In 1944 there had been no such charge.

(3) The cost of printing, binding and paper, which had been limited to $60 for binding in 1944, amounted in 1949 to $26,849.

(4) Printing in 1949 accounted for 56 per cent of the total cost of Ontario Hansard.

None of the provinces publish or distribute a transcription of the debates in any form comparable to our procedure during the past three sessions. Only two provincial legislatures are planning anything which corresponds to a daily record of their debates. Newfoundland contemplates printing a small number of copies of the report of their legislative proceedings and Saskatchewan, which produced a mimeographed Hansard in 1948, limited to 200 copies, is planning to resume this year after a year's elapse. The Legislature of Manitoba has a mechanical recording system in lieu of a stenographic record, but no official transcription is made. The recording tapes are preserved and if a member desires to obtain a transcription of his speech, he makes the arrangements at his own expense. The nearest approach to a Hansard that New Brunswick has is a synoptic report of proceedings which is published after the session and distributed to all members of the legislature and to any others who request it. The Province of Quebec has nothing resembling a daily handsard, neither has Alberta, British Columbia, Nova Scotia nor Prince Edward Island.

In view of these circumstances, but primarily because of the pyramiding cost of printing the record of our debates, the Government has decided that it will revert to the former practice of preparing mimeographed copies of the proceedings of the legislature in sufficient numbers for all the honourable members, the libraries and others in a similar position. As in the last two sessions we have been doing both mimeographing and printing,the saving will approximate our expenditure on printing. It has indeed been suggested to us that we should abandon the practice of preparing a record of our proceedings entirely, but I believe that suggestion would take us too far, and that the compromise proposal which I have made will more generally meet with your approval.

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Now, Mr. Speaker, I may say that as Treasurer of the Province, I have been interested---not only interested, but I have been concerned with the mounting costs of everything. I think all of the hon. members opposite will agree that our budget has been mounting year after year. These things are unavoidable in these days in which we live, with mounting costs and and expanding province and I think we will all agree that there is always a need for economy, and I think a good place to start economy is right here with the hon. members of our own House.

Now, Mr. Speaker, as treasurer of the Province, I find myself in a dual position. I have said to some of my colleagues that I am a Doctor Jekyll and Mr. Hyde. When I am acting as Prime Minister, everything is lovely and I am Doctor Jekyll, but when I become the treasurer, then I become Mr. Hyde, and I think that is what I am to my colleagues, because I sent them all a note the other day, and my popularity at the present time is very low.

I think we ought to cut out a lot of frills, and get down to the business of saving money--

MR. HARRY NIXON (Brant): You admit then there were "frills."?

MR. FROST: I am clipping them all off, anyway.

I would say that our position is this; there will be a very important announcement made to this House when this matter is disposed of, which will indicate the necessity of our making every dollar go as far as possible, and make each dollar count. If we can save $30,000, on what I think amounts to a needless printing of the records of this House, that would amount to fifteen miles of rural lines for some poor people in the country who have not

enjoyed the benefits that some of the rest of us have enjoyed. I think that is the way I might put it.

There is not a limitless barrel of money from which money can come. Some time you will get to the bottom of the barrel and will then have to start scraping the bottom.

I think it is sensible that we should make our dollars count, and I think we should approach this matter from a reasonable standpoint.

I know that the hon. members will be interested in this. Hansard, the first year, cost us $4,472. In 1945, it rose to $7,904. The next year it went up to $8,279; in 1947 it rose again to $26,729. It was about the same in 1948, but in 1949 it amounted to $47,811.

As I say, my blood was chilled, when I saw "$55,000" this year. I think we all agree we should cut down on that, and we should be able to do the job, I think with satisfaction to the hon. members, of preserving a record of the proceedings of this House for each hon. member and for the parties concerned when I have mentioned, for our libraries, and all for a sum that will be but a fraction of $55,000.

MR. GRUMMETT: I think we are taking a backward step if we do away with Hansard. The copies of the debates, when they were introduced, were welcomed by the people of Ontario. I am thinking of the use made of them by the daily papers and the smaller weekly papers, those papers who have not representatives sitting in the press gallery.

They were able to obtain copies of Hansard and make good use of them in editorials appearing in these papers. I am sure they will miss the opportunity they had of seeing

what took place in the House.

It is quite all right to read a press report, or a report from any other service. If a small weekly paper wants to give its people a resume of what is happening in the House, those press reports are all right. But it is a different matter if you have before you the daily debates in printed form, then the editors of those papers can take those daily debates and analyze them, and it is their opinions of what was said in the House that are put in the papers, and doing away with them will be a very distinct loss in the Province of Ontario.

The smaller dailies will suffer the same way. There is another thing, I believe. I believe that Hansard in its printed form and bound is a very striking volume, neat and tidy, and if it were sent to our secondary schools and the children encouraged to read Hansard, it would increase their knowledge of what took place inthe government of their province. If you go to practically any of the high schools of the province today and ask the children how they are governed or what took place, they have no knowledge whatsoever, but if a volume of the printed debates were made available to all of our secondary schools, it would stimulate the interest of the pupils in finding out for themselves how the debates are carried on in the House, and just what happens and the view of the different members of the House. The benefit to the school children alone is well worth the $50,000 or $55,000, which it might cost this year.

I was just wondering, while listening to the hon. Premier's (Mr. Frost) explanation of how the costs have been increasing year by year, if he made any attempt to change his printer in the last number of years--

MR. SPEAKER: I think I must ask the hon. member

(Mr. Grummett) to confine his remarks to the subject under discussion. That to which he is referring now is under the direction of the Speaker, and I think that is an implication against the Speaker, which I am sorry I cannot accept.

MR. GRUMMETT: Mr. Speaker, I will withdraw the remark. I only said it in fun, and I hope you will take it that way.

MR. SPEAKER: The hon. member (Mr. Grummett) will realize that this is going into the record also. We are having a stenographic report made right now.

MR. GRUMMETT: I think we are making a mistake in doing away with Hansard. A great number of people have taken a keen interest in it. The Hansard of the Federal House is widely read, and the people of Ontario were just beginning to read the proceedings of the Provincial Legislature.

It is not fair to compare the records of our House with the records of the houses of other provinces. We are the largest province in the Dominion, and I think we ought to lead the way, and if we do away with the printing of Hansard, we are taking a very backward step, one which I think we will regret in the years to come.

SOME hon. MEMBERS: Hear, hear.

MISS AGNES MACPHAIL (York, East): Mr. Speaker, I want to raise two points. The first is that the whole democratic idea is based on the knowledge of the people, and the more knowledge they have of it, the more democratic they become. I will admit that sometimes, like other people, we regret what they will read in Hansard about us, but these people have the right to read what we say and what we think, even if we change what we are thinking

later on.

I have every sympathy with the hon. Premier (Mr. Frost). He is trying to save money, and that is very laudable, but there are other places where I think it would be less injurious. I cannot say what I would like to say, because the hon. Minister of Highways (Mr. Doucett) has done so well for me--

HON. GEORGE H. DOUCETT (Minister of Highways): Done well for everybody---I hope.

MISS MACPHAIL: I am sure there are some places where the money can be saved. I think it is a small amount anyway.

My second point is that Ontario is a great province and I think that it should lead the way and show a good example to the other provinces. I feel that this small amount of money will not impoverish us, and that we should set a good example, Mr. Speaker, to the other nine provinces, and Ifeel that if we would keep on with Hansard printed and available to the public, who want to buy it, it will not be long until other provinces will do the same, a sort of follow-the-leader principle, because Ontario---whether we like it or not---is a great province. We are not extremely well liked from coast to coast, but at least we are noticed and what we do is noticed by the other provinces.

So on these two points of democracy resting on the knowledge of the people, and, secondly, that Ontario is the leader---at least, we like to think we are---of the ten provinces of Canada, I hope that the hon. Treasurer (Mr. Frost) can be persuaded to spend the $55,000.

SOME hon. MEMBERS: Hear, hear.

MR. FARQUHAR OLIVER (Grey South): Mr. Speaker, speaking to the motion just put forward by the hon. Prime Minister (Mr. Frost) relative to the stenographic reports of the debates of this Legislature; many of us were in the House when first we set out in this province to make a report of what was said in the Legislature. To be quite frank with the House, I had doubt at the time, and some misgivings, about the actual commencement of this whole business. I felt that in the clipping service, and in the various other records available and open to hon. members, there was a fairly good record, even before the Hansard was commenced.

Now, as the hon. Prime Minister (Mr. Frost) has said, we have had Hansard for a number of years. We have done things in connectionwith the printing and the distribution of Hansard which havemade it more widely available to the people of the Province. There are a lot more people reading the Ontario Hansard today than there were a couple of years ago. Gradually the people are getting around to the place where they read the records of what goes on here. It seems to me that the point we have reached in this discussion today resolves into this; either we are going to have this record only for the hon. members of the Legislature, and not in a printed form, or else we should make the distribution as wide as possible.

It seems to me that the records---I am speaking to the first point for a moment---if we are going to have the record as suggested by the hon. Prime Minister (Mr. Frost) today, then I make this suggestion, that the record be prepared as suggested, but after the Session that the debates be printed, that is, at the close of the Session.

We can all recollect the voluminous books we got at the close of the previous Sessions, I think five or six in number, and if one wanted to find any particular debate in it, he would need to have a good deal of time at his disposal.

I suggest to the hon. Prime Minister (Mr. Frost) that if he is going to limit this to the hon. members of the House and the others whom he named, then during the interval between the time thatthis Session concludes and the next one reconvenes, that there be a printed copy made and bound for the use of the hon. members of this House. It would be a permanent record, one you could get in your book cases, and not one you would have to labour long hours to find anything in.

I can see the difficulty of printing this Hansard day by day, but I can see no particular difficulty in printing in the interval between the Sessions, and having the Hansard printed and bound in readable form for the hon. members of the House. I make that one suggestion.

Now, it seems to me, Mr. Speaker, in addition, if we are going to make the distribution limited as suggested by the hon. Prime Minister (Mr. Frost), these limits should be extended as suggested by my friend the hon. member for South Cochrane (Mr. Grummett) with whom I am in absolute agreement.

If we are going to give it to these various offices, as he has outlined, then certainly the local newspapers, the weeklies and the smaller dailies, should get a copy of the record of the proceedings of this Legislature. The secondary schools of this province should have available to them the

debates as carried on in the Legislature itself.

It seems to me, Mr. Speaker, that we must do one of two things. I do not see how you can print a limited number of copies of Hansard and have it available for distribution. Supposing the hon. Prime Minister (Mr. Frost) agreed to print 1500 copies. I would sooner not have him print any, than to have him print only 1500. So it is either one or the other. Either we do have the hon. members of this House supplied with a restricted list such as he suggested, plus the ones the hon. member for South Cochrane (Mr. Grummett) included in his remarks, or it be printed for the widest possible distribution.

I do not think there is any use in saying, "We will print 1500"---or---"2000 copies, and when those are used up, that is all there is; there is just not any more." As it stands now, we are preparing copies for the hon. members of the House, and the schools, and if we prepare copies during the recesses of the House, we will have them available for those who will pay for them.

SOME hon. MEMBERS: Hear, hear.

MR. L. E. WISMER (Riverdale): Mr. Speaker, I think we have, fortunately or unfortunately, touched off the real difference of opinion in this House, on the first debate of the first day.

I would like to assert what I consider a very fundamental point with regard to some of the remarks,--I did not know whether it was the hon. Prime Minister (Mr. Frost) or the hon. Treasurer (Mr. Frost) who was speaking, I was sort of confused from time to time.

I would like to deal, Mr. Speaker, with the figures for a moment. If I took them down correctly, With respect to mimeographing, the last figure I heard was about $8200, and last

year, when Hansard was printed, we were up to around $47,000, making a difference of approximately $40,000.

Now, Mr. Speaker, one might argue about what quality of paper might go into the publication, what kind of ink would be used, or where it should be printed and all that sort of thing. I do not intend to talk about that. In fact, I would like to say I rather liked the printed Hansard which I received, bound in three volumes and separately indexed, and I would like to say this about it, that it was a very fine job of indexing. In other words, it was possible when I was thinking in terms of coming back to the Legislature, to look to see what certain gentleman had said about certain policies a year ago, and to find them easily indexed. That I consider a very valuable thing.

And I consider it valuable, for these reasons: Democracy expands and develops to the extent that the people understand and appreciate what is being done either for them or to them.

Now the difference, apparently, between a mimeographed and a printed Hansard is approximately $40,000. Actually, I think it is probably a little less than that. But even if it is $40,000, I wonder if the hon. Treasurer (Mr. Frost) thought of it in these terms, that there are 4,000,000 people in the Province of Ontario, and $40,000 spread over 4,000,000 people is one cent apiece, and if a page boy will come here, I will send over my cent now, so that we will go ahead with this job. I think if we pass the hat here, most people would subscribe a penny, for going ahead with the printed Hansard, and democracy would not be frustrated.

There (indicating) is the first free contribution the hon. Treasurer (Mr. Frost) has received today.

But I would like to go a step further. I do not consider this an amusing proposition, and I would like to remind

the government and the House of the tremendous printing bills incurred by the government in endless publications of all sorts, on all sorts of topics, and I would like to add to that a word of congratulation. I think it is a fine thing. The wider the distribution or publication telling the people what the government is doing in varied fields, is in the interests of democracy, and the development of our principles, and I think highly satisfactory to our way of life.

I would like to point out that there are, after all, certain features of this matter. The hon. Prime Minister (Mr. Frost) suggested he wanted some of the "frills" taken off, and also I understood him to say that he was now, after seven years, prepared to get down to business. If you want to take off some of the "frills," there are some publications which must have cost a great deal to produce, and it is difficult to find out from the Public Accounts how much they did cost.

I recollect receiving a publication not so long ago telling me how to make a house out of mud. I think we could have dispensed with that. After all, the mound builders were quite a long time ago, and I do not see any reason why we should go back to that. In fact, I read the publication, and as I read it, I suspected the mound builders knew more about it than the fellow who wrote that book. I would like to point out that not so long ao we received a beautiful thing from the Department of Travel and Publicity of Ontario, beautiful pictures, well colored, beautiful in printing, on some of the finest paper stock I imagine they could find, lots of varnish in the ink, and all that sort of thing. Of course, the hon. Minister (Mr. Cecile) would like to tell the House that was to be sent down to our friends and neighbors to the South, in the hope that they would come up here and spend a few hard dollars in

this country. However, I do not see why a picture of the Cabinet, and things like that, have any attraction for American tourists.

SOME hon. MEMBERS: Hear, hear.

MR. WISMER: You want to "take off the frills"? Well, I am all in favor of it, let us cut down the tremendous budget in regard to the "frills," but Hansard is not a "frill."

SOME hon. MEMBERS: Hear, hear.

MR. WISMER: And I will remind the government that it was not only the de[illegible] of industrial revolution which created this new mode of living which we have today. It seems to me that it really originated in the development of the art of printing, which I believe had a great deal to do with it.

This is hardly the time, Mr. Speaker, to start walkihg backward, and getting back to the time when it was a little difficult to find out what other people thought, what other people said, and what other people did.

I will remind you---and I think it is within the limits of this discussion, Mr. Speaker---that today, in this country, there is a Royal Commission enquiring into how to improve and develop the arts, letters and sciences of this country, and I say to you that, without the art of printing, there could not be any of that.

MR. SPEAKER: Order.

MR. WISMER: Very well, Mr. Speaker. You call me to order. I would like to point this out, Mr. Speaker--

MR. SPEAKER: I would suggest that the hon. member (Mr. Wismer) confine himself to the matter under discussion. We are discussing Hansard, and I will not allow him to wander all over with other publications and Commissions. Let us discuss Hansard, and I will be satisfied.

MR. WISMER: Yes, Mr. Speaker.

I have in my hand a letter asking for a report of the debates for the Legilative Assembly for the 1950 Session and if they will be available, but the decision has already been made that they will not be.

HON. DANA PORTER (Minister of Education): Who sent the letter?

MR. WISMER: It is from a Miss Deacon.

MR. PORTER: Just one letter?

MR. WISMER: Yes, exactly one. However, I have heard of some others.

MR. PORTER: Whom did you say sent the letter?

MR. WISMER: It is quite all right for the government to make a decision--

MR. J. B. SALSBERG (St. Andrew): Who is the letter from?

MR. PORTER: Yes, who is it from?

MR. WISMER: It is from Beatrice Deacon, 1415 Wilson Avenue, Downsview P. O., Ontario. For some reason or other this lady was interested in Hansard, and wanted to know if the 1950 session of Hansard would be available. That only bears out what the hon. member, the leader of the party to my left (Mr. Oliver) said, namely, that Hansard is now more widely read than it was two years ago.

My point, Mr. Speaker, is why should an officer of this House be in a position to tell the people of this province what this House has decided, before it has had a chance to decide it?

If the government prefers to usurp the powers of the Legislature, that is its business. But it is our business to object to the practice, and to point out that the usurpation

of the powers of the Legislature by the government before the Legislature is called, is exactly the same sort of thing as stopping the printing of Hansard, and attempting to throw an iron curtain around this Legislature.

MR. FROST: I am at a loss to understand what the hon. member for Riverdale (Mr. Wismer) is talking about. We have taken the first opportunity to present this motion, after the House has met. I cannot see where that is any "usurpation of power" asking for the direction of this House, and if the House decides that the records--

MR. WISMER: Am I in order, Mr. Speaker, in tabling this letter?

MR. FROST: Sure, go ahead.

MR. SPEAKER: If the hon. member (Mr. Wismer) wishes to table a letter, that is his perogative.

MR. WISMER: May I read it before I table it?

MR. SPEAKER: That is entirely up to the hon. member (Mr. Wismer) as towhat he wishes to do with it.

MR. WISMER: I just want to be in order, Mr. Speaker.

MR. SPEAKER: Yes.

MR. WISMER: This letter was directed to Mr. Coburn, Mr. Jolliffe's secretary--

SOME hon. MEMBERS: Oh, oh.

MR. WISMER: What is wrong with that? If anyone wants information, why not write to the secretary of the opposition? Is he not a recognized and legitimate officer of this House, one who is expected to know what is going on?

MR. SPEAKER: If the hon. member (Mr. Wismer) will place the letter on the table, for which permission has been granted, please. We will not have any of this crossfire on the very first day of this Session, but we will confine our

remarks to the subject under discussion. May I ask the hon. member (Mr. Wismer) to take his seat while the Speaker is speaking.

May I say that I will be tolerant but we will confine our remarks to the question under discussion, or the debate will be cut off. I am sorry to have to take that very firm stand at the beginning of the Session, but I will do so. The question was not raised as to whether the hon. Leader of the Opposition (Mr. Jolliffe) received a letter, and I think the remark was made "Oh, oh," and from there on, the hon. member (Mr. Wismer) began making a speech about it.

The hon. member (Mr. Wismer) will read the letter, and then he may continue to speak on the question under discussion. If he does not, then I shall have to ask the hon. member to take his seat, and we will carry on with the business of the House. I think he has been speaking now for fifteen minutes, and I do think that ten minutes should be about the limit for any hon. member to speak on a motion, and, therefore, I must direct the hon. member (Mr. Wismer) to confine himself to the matter under discussion.

MR. WISMER: Mr. Speaker, this letter reads as follows:

"Dear Mr. Coburn,

"The York North CCF Riding Council decided last December to subscribe to the reports of debates in the Legislative Assembly for the 1950 session.

"Since that decision was made, a member of the Council, who subscribed last year, has received a letter from Mr. Lewis informing him that it has been decided to limit the circulation of this year's reports to members of the Assembly. There was no indication of the number of copies which might be made available to members.

"The Council wondered whether it might be possible

for you to obtain copies of these reports for York North. Will you be good enough to let me know about this before March 10, the date of the next Council meeting?"

Now, I will table the letter.

What I am objecting to Mr. Speaker---and I suggest this is strictly on the motion---is that an officer of this Assembly has already been instructed by the government before this motion was ever presented, and this is a usurpation of the powers of the House.

If that is the case, what hope have we in the Province of Ontario for the people to know what is going on in this House, when this motion specifically refers to the fact that it will give the proceedings---the debates---in mimeographed form to his honour the Lieutenant-Governor, to the leaders of the parties, the hon. members of the House, to the legislative library and the library in Ottawa? It does not say that we will be provided with one single solitary copy for the great 4,000,000 people in Ontario, in a form in which it is easily readable, and easily available.

I submit, Mr. Speaker, that is a withdrawal, a step backwards, a moving away fromthe great system of democracy, and the development of democracy. I have been proud to have been a resident of this province, even if at times in disagreement withthe government, proud to realize that under our democratic form of government in this Legislature and in this province we were leading the whole of Canada in the dissemination of the debates of the Legislature. We were getting ahead.

This is a fundamental problem, and a little time taken on it will be worthwhile. We are in a struggle in this country, as everyone knows, against forces which would cut us off alto-

gether, and where there would be nothing to read except what those in power would want us to read. I make no suggestion that the government has had that in mind, but I am suggesting, let us not do this; let us give the leadership in this troubled world; let the Province of Ontario be today the leader, and let us never have it saidabout us that when the going was toughest, we were not there with our money and our sinews, to meet the real crisis.

I ask the government to withdraw the motion.

SOME hon. MEMBERS: Hear, hear.

Mr. J. B. SALSBERG (St. Andrew): Mr. Speaker, I am very sorry, and I regret very much the fact that the government saw fit to bring this motion before the Houseat this time. It is unfortunate, especially, that the new hon. Prime Minister (Mr. Frost) should have had to do that. I do not think it is worthy of him, either as an individual, or as leader of the government as a whole, to attempt to achieve such a picayune bit of saving at the expense of what is very, very important, from thepoint of view of the people interested in government.

It may be true that others have not anything to compare with what we have had insofar as the printed form of the proceedings is concerned. But I agree with the hon. member for Riverdale (Mr. Wismer) that this province should set the pace for other provinces, and I suggest the remarks of the hon. Premier (Mr. Frost) indicate that other provinces are beginning to imitate the very fine example this House has established, and which was established by the government of which the present Premier (Mr. Frost) was a fore-front member.

If Newfoundland---let me pronounce it correctly, "Newfoundland."

Mr. FROST: Newfundland.

If Now<u>found</u>land---let me pronounce it correctly, "Now-<u>found</u>land."

MR. FROST: Now<u>found</u>land.

MR. SALSBERG: I understand that the citizens of the 10th province pronounce it "Newfoundland."

MR. FROST: I may say, Mr. Speaker, that the Premier of that Province gave it as the proper pronunciation, "Newfundland."

MR. SPEAKER: May I say that we are not discussing the pronunciation of Newfoundland. We are still discussing Hansard.

MR. SALSBERG: Mr. Speaker, may I say that I have not always accepted the statements of Prime Ministers as being the final word on anything.

However, I will be corrected, and say if the province of Newfundland can provide some printed record of its proceedings, certainly we should not take a step backward. This would undoubtedly be a step backward.

I would say that the government should go even further in the presentation of proceedings and debates to the people of the province. I, for one, would suggest that they wire the House, and we broadcast all Sessions of this House. I think the people of this province would welcome that. I think they would be thankful to the government for an opportunity to listen in their homes and in the cities and on the farms to what their hon. members are doing here, what they are saying, and how they will vote on roll call. I think that would be a step forward, and completely in line with what was suggested by the present hon. Attorney-General (Mr. Porter) in the early days of this government, when he appealed for greater interest and greater pressure upon governments on the part of the people.

I want to conclude by drawing the attention of the government to this fact, that private corporations---many of them---

spend more than $40,000 to make known to the public their decisions and the records of the meetings of their Boards of Directors. Is that not right? Why, the Canada Packers issued a printed, multi-colored annual report, which cost I am sure almost as much as the printed and bound volumes of the proceedings of the Legislature of the Province.

I received---as I have no doubt other hon. members have received---a beautiful volume of the report and statement of the Royal Bank of Canada, and I am sure that it was also distributed to the Legislatures in other provinces, and I am ready to wager that they spent more onthe printing and distribution of that report, by a private banking corporation, ---and I am not including now the full-page ads in all the newspapers across the country---than it would cost to print all of our Hansards.

MR. SPEAKER: No, we will not discuss the Royal Bank. I know this is a wide open subject, but hon. members should not, and will not, go all over the country.

MR. SALSBERG: In one minute I will be finished, Mr. Speaker.

MR. SPEAKER: Let us come back to a discussion of Hansard.

MR. SALSBERG: I am quite in agreement, Mr. Speaker, and I will leave the Royal Bank for another occasion.

I do want to appeal to the government, particularly to the hon. Prime Minister (Mr. Frost)---and I will use a phrase of his, "My hon. friend should be reasonable";--- and say, let us be reasonable about this. I would suggest thatthe motion be deferred until the hon. Prime Minister (Mr. Frost) will have an opportunity of discussing it with the hon. leaders of the several groups in the House.

Perhaps the Government will find some other way in which to save money, if it wants to save. But let us print the Hansard, let us give it to every weekly newspaper, let us give it to every school, let us give it to every officer of organizations interested in the affairs of the Province.

We can find ways, if you still insist on saving money, but let us print the Hansard.

Mr. Speaker, I do appeal to the government to hold the motion back for a day or two and discuss it with hon. leaders of the parties, and I am sure a way will be found, and perhaps some means will be found for saving money, for the Treasury, of which the hon. Prime Minister (Mr. Frost) is always so conscious.

MR. WILLIAM DENNISON (St. David): Mr. Speaker, the hon. Premier (Mr. Frost) indicated he would like the direction of the House on this matter, and I take it from his remarks that he had in mind this side of the House, that is, that he wishes direction perhaps from this side of the House. And not only that, perhaps from his own back benchers, and I would appeal to the hon. members onthe Government side of the House to express their opinions on this matter.

We have a library in this House in which we put Hansard, and on many occasions I have had the opportunity to go to that library and read government reports of various kinds, and I assure you there are many of those reports in that library, but the report that seems to be read the most is Hansard, and the record of what is said in this Legislature.

MR. FROST: They will still have it.

MR. DENNISON: It will be there, but it indicates a trend; it indicates the people are very interested in that particular report of the proceedings of this House.

The hon. Minister of Municipal Affairs (Mr. Dunbar) presented a report to us yesterday which is very good at this time. Very seldom does the average citizen of this province ever have occasion to read a report of that kind, but that report is necessary. Tht report contains statistics that are necessary to municipal officers and municipal officials.

It seems to me the same thing is necessary in regard to the debates of this House. Tourists who visit this province are taken in the front door, with a view of getting their dollars and they are shown reports on every conceivable subjedt, and yet the people of this province interested intho debates of this House will be told that for reasons of finance and the saving of $30,000 or $35,000 in the over-all picture, we are not going to publish the printed reports of the debates this year.

It seems to me that the people of this province want to see a progressive measure remaining on the statute books. The members of the government may be considering dropping a word from the end of their name in the near future, but please do not drop this thing which was put on the books and accepted by this House some years ago.

The cost seems to me to be a very small item. Some high school newspapers, in the days when there were a few high school newspapers in the province, had an annual budget of more than $35,000 or $40,000. Surely Hansard is of more importance than the printing of a high school newspaper in this province.

The cost of Hansard sums up to about one cent of every $10,000 or $12,000 of the budget we pass at estimate time each year.

It seems to me, too, that although the cost might build

ten or twelve miles of Hydro line, the fact that the people of this province can read the debates of this Legislature and keep in touch with what is going on in this Legislature I think they will be much more apt to build additional Hydro lines if they see that the Legislature is providing them with the nedessary Hydro accommodations in the rural areas.

(Pages 27 follows)

but I know the people to whom I sent them are anxious to receive Hansard again. They are more interested than they have ever been in the Debates of the House, and I am sure if the Government made an effort to sell Hansard to the public, and perhaps charge more than five dollars a year -- charge ten dollars a year if it is going to give us more -- but promote the sale of it, so that Hansard will become a real living force in our democracy, a force which will inform Mr. and Mrs. Ontario as to what transpires in this Chamber. I think Hansard will be a very good investment, to educate our people in the practices of democracy.

SOME hon. MEMBERS: Hear, hear.

MR. CAMPBELL CALDER (London): Mr. Speaker, the hon. Premier (Mr. Frost) has given us some figures, but as a constructive suggestion, perhaps he would be disposed to give us some more. For instance, what have been receipts from the sale of our Hansard?

MR. FROST: I think, in round figures, that all the requests for Hansard only amount to about $150. It will cost us $55,000. this year, and I am saying, Mr. Speaker, that it is just an absurdity, that is all.

Mr. Speaker, I want to clear the minds of some of the hon. members on this point. We are preserving the stenographic record of the proceedings of this House. Every hon. member will get a copy; the Hon. the Lieutenant-Governor will get a copy, and I have no doubt he will read it every day. The hon. Ministers, the hon. leaders of the opposition, the press gallery, and furthermore,

any weekly or daily paper in the Province of Ontario who wants a copy, it will have one mailed to it free of charge.

Now, Mr.Speaker, it just amounts to this; it is a saving of several tens of thousands of dollars by doing a sensible thing. After all, the cost of publishing and printing this record is running into increasingly more money, and all I can say, as Treasurer of this Province, is that it is not good business. Nobody will be harmed, and I am quite content to review this matter again next year. Let us see how it works this year. I think it is the sensible thing to do, to have the record prepared for the hon. members here, for the press, and for the library.

MR. CALDER: I doubt if it is a matter so simple as one of saving or not saving $40,000. Is it not more likely to be a question of where is the money being spent?

MR. FROST: I cannot imagine any way we can spend it with less value than this.

MR. CALDER: Mr. Speaker, may I ask how much the advertisement put out by the Department of Travel and Publicity appearing on page 89 of the last issue of "Holiday" cost? It is a question of where you get the best investment of the Government. I agree with the Government that we should not anticipate the demand, and should not force our Hansard upon every school, primary and secondary, in the Province.

MR. FROST: That would be perfectly absurd.

MR. CALDER: Have you any knowledge of the saving if instead of a forced rush printing of Hansard, you have

the Hansard printed throughout the summer? Unless you could justify yourself on that point, by the comparative cost, I do not think you have reached the final conclusion.

MR. FROST: The printing committee can consider that matter. I do not know what it would cost to print Hansard at the conclusion of the Session. However, we have a printing committee. This is a democratic assembly. Take it up with them, and see what it amounts to, and if it does not involve too much money, and is felt to be necessary, we can do it. I think that suggestion is worth considering, of course.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, may I ask a question?

MR. SPEAKER: Yes.

MR. SALSBERG: My question is whether the hon. Prime Minister (Mr.Frost) would consider a proposal to withhold the motion until such time as he has an opportunity to discuss it with other leaders.

MR. FROST: No. Let us get on with the business of the House. We have a number of things to consider yet.

MR. L. F. K. FELL (Parkdale): Mr. Speaker, I rise to add my voice of protest to the suggestion of the Government on the question of Hansard. In addition to the remarks that have already been made, I would like to make this observation; the hon. Minister (Mr. Frost) has made it abundantly clear that any newspaper which desires or asks for copies of Hansard will be

supplied.

The real purpose of Hansard is to give as wide a distribution as possible of the deliberations of this Legislature to the people of the Province, and to every person in the Province regardless of their station or place, geographically or otherwise, if they so desire.

The question of depending upon newspapers for knowledge of what transpires in this House appears to me to be a wrong assumption. We are faced with the fact that no newspaper is compelled, in any way, shape or form, to publish what transpires in this House word for word, accurately, and if you realize that, you will very quickly see that there is a very definite possibility that what news does emanate to the public through the press in the Province could be or could not be concealed,or not be fully reported. In other words, the reading public might not have an honest opportunity to form their own opinions.

Therefore, Mr. Speaker, I suggest it would be most improper to take the attitude that once again this Province -- Mr. and Mrs. Ontario if you like -- must depend entirely upon their newspapers for an accurate and honest translation of what transpires in this House.

The hon. Minister (Mr. Frost) has suggested that the information would be obtainable from certain circulation libraries. That may be all very well for those citizens who are located close to those libraries, or a source of information. For instance, the residents of the City of Toronto are very close to circulating libraries, and very close to the information, should be require it

immediately. Or they might call at the Parliament Buildings and speak to somebody in authority here and get the information.

But what about the man and woman who are away up north in the bush country, who have only word of mouth to depend upon for information as to what transpires at the seat of Government of this great Province? Where will they get authoratative information?

I think these people are entitled to as much information as other citizens, and they should be able to obtain it if they so desire, to obtain accurate, properly-censored information of what transpires in this Legislature.

The only other point, Mr.Speaker, in regard to the value of Hansard, -- and in this, perhaps I am looking quite a bit ahead --I am looking back to the last campaigns, the previous political campaigns which have taken place in the Province of Ontario and this great Dominion of ours, and I recall as a younger boy listening to campaign speeches, where one candidate would stand up and call another candidate a liar, and what were reported to be facts were bandied back and forth to such an extent that those who were listening to the candidate, and trying to form an honest opinion about whom to vote for, were completely confused, because they did not get the honest information as to whom they should vote for.

That may seem at this time to be a very minor point, but, nevertheless, I think if we are going to retain the democracy we have in this country, and if we

are going to continue to advance the cause of democracy, and not allow these forces to arise which would destroy our democratic way of life, we will have, regardless of a cost of $50,000., or whatever it may be, to give our people the information they require to enable them to form honest opinions and to judge for themselves whether our way of life is better than their way of life.

SOME hon. MEMBERS: Hear, hear.

MR. FELL: Politics during these days is not good, particularly in the campaigns. Politics, by use of expressions through the press, can find itself distorted -- perhaps intentionally, sometimes through no intention whatsoever -- and in politics there is an interest --

MR. SPEAKER: I think the hon. member (Mr. Fell) should stick to a discussion of Hansard. We are not discussing political campaigns. Let us stick to Hansard, please.

MR. FELL: I was trying to point out that the ordinary citizen of this Province must depend upon reports emanating from this House --

MR. SPEAKER: The point is this. The hon. member(Mr.Fell) should continue his discussion on Hansard. Hansard has nothing to do with politics. It is a record of the Debates of this House. Therefore, I must eliminate discussions on political campaigns. If you want to use Hansard in a political campaign, all well and good, but we are discussing Hansard at the moment, and let us stick to the question, please.

MR. FELL: Then I will close my remarks by going

back to my first point, that the people in the Province of Ontario have a very definite right to expect that they can obtain from this House accurate and honest information of what transpires, so that they themselves can see that quite often it is not easy to legislate for a Province of the magnitude of Ontario, and will know what their representatives whom they send here are doing, and if they are doing what they expect should be done for them.

SOME hon. MEMBERS: Hear, hear.

MR. J. L. EASTON (Wentworth): Mr.Speaker, I would like to say a few words also on this subject. I realize that the hon. members who have spoken before me have covered practically every phase of this discussion, but I feel that these proceedings should be broadcast as much as possible all over Ontario.

I was pleased to hear from the hon. Premier (Mr. Frost) that the records of the proceedings would be extended to the libraries throughout the Province.

I have a letter in my hand which may have been the letter which instigated this extension of the distribution of the records of the proceedings. I was not going to read this letter, but the hon. member for Riverdale (Mr. Wismer) raised the point when he said that the Government had decided this issue without any reference to the Legislature. I believe, if I read this letter, it will back up considerably the allegation made by the hon. member for Riverdale (Mr. Wismer).

So, with your permission, Mr. Speaker, I will read the letter, and place it on the record.

"Dear Mr. Easton:

I am sending this letter to each of the Hamilton and Wentworth members of the Ontario Legislature in the hope that you can do something about a very unfortunate situation that has arisen.

Librarians were delighted when the Government of Ontario decided in 1947 to publish the Debates of the Legislative Assembly. I was very indignant that the Library was required to pay for this as I consider that a public library of this size should receive all Canadian and Ontario publications without charge and as a matter of course. We do so receive the Dominion publications. However we were so glad to have the Ontario Debates that we have been paying $5.00 a year for them.

I am now informed by the Clerk of the Legislative Assembly that it has been decided to confine the Debates solely to mimeographed copies for members of the Legislative Assembly only. No copies will be available either for paid subscribers or for a free list.

I have written protesting this decision but realize it may be impossible to change it or that it may take some time.

I am wondering whether in the meantime our local members might agree among themselves to let us have one of their copies. If two of you share an office, for instance, would it be too inconvenient to share one copy and let us have the other? We would be very glad to furnish stamped, self addressed envelopes for the purpose

of mailing.

I realize that this is a good deal to ask of you, but I feel that it is so important for this Library to have a file of the Debates that I am justified in asking our Members to help us if they can.

Sincerely yours,
(signed) Freda F. Waldon
Chief Librarian."

MR. FROST: That library will get a copy free of charge.

MR. EASTON: Oh, yes, but, as I said before, I think this was the letter which instigated the move.

I think, Mr. Speaker, the hon. members will agree with me when I say that the libraries in the Province are the ones who are the closest to the reading public, and know what the reading public want.

MR. SPEAKER: I think the hon. member (Mr. Easton) will realize the motion does call for distribution to the libraries. It says, "and to the reference libraries of the Province".

MR. EASTON: I want to make one point, in trying to point out why the people will feel badly about this. There is an old saying that "you never miss what you never had". Before they had copies of Hansard, they perhaps did not miss them as much as they will now, when they are being deprived of them.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, may I ask this question of the hon. Premier (Mr. Frost)? The letter just read justifies, in my mind, the sentiments

and the emotional expression of the hon. member for Riverdale (Mr.Wismer).. Fortunately, when he was speaking --

HON. THOMAS KENNEDY (Minister of Agriculture):What is your question?

MR. SALSBERG: When he spoke, I did not know of that letter, stating that a person had been informed prioer to the convening of the Legislature that it had been decided to discontinue printing Hansard. How was it possible to have such a communication sent out to a person before Legislature was given the opportunity of considering this matter?

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Well, Mr. Speaker, we have discussed these matters, and we have decided, taking the whole matter into consideration, that the sensible thing to do in regard to Hansard was what we are doing. Nobody is being injured. The fact of the matter is, not only is nobody being injured, but we are saving a substantial sum of money. It seemed to us that there could be no question but that this House -- which, after all is composed of 90 people from across the Province of Ontario -- could come to any other decision than the one to which we have arrived.

After all, there has been a very, very small demand or request for this written record, and it cost a tremendous sum of money. I suppose that every volume that is asked for, if you translated it back into dollars and cents, would be worth several hundreds of dollars per volume. Mr. Speaker, that is too much money.

We are serving the libraries, and I say that any paper, weekly or daily, which wants a copy of our daily record will be furnished one free of charge. That will save the hon. member's library (Mr. Easton) $5.00 a year, will give his library a copy of Hansard, and will save Old Man Ontario about $35,000.

SOME hon. MEMBERS: Hear, hear.

MR. SALSBERG: My question was not answered, Mr. Speaker.

MR. SPEAKER: Order. I think the hon. member (Mr. Salsberg) should be willing to accept the answer by the hon. Prime Minister (Mr. Frost). Whether the answer was satisfactory to him or not, is for him to decide.

MR. SALSBERG: No. I asked the hon. Prime Minister (Mr. Frost) a question, and it was not answered.

MR. FROST: Let me make this very clear. Apparently the letter was signed by the Clerk of the House. I have the highest regard for the Clerk of the House. He is a fine Government official, and I quite agree with his letter, and I know his letter was sent out in good faith, following a decision of Cabinet, a decision which I hope will be endorsed by the hon. members sitting here in this Legislature.

SOME hon. MEMBERS: Hear, hear.

MR. WISMER: May I direct a question to the hon. Prime Minister (Mr. Frost), Mr. Speaker? As I understand the resolution, it said "reference libraries". Public libraries are not necessarily reference libraries.

MR. FROST: Let me make it plain. It does say

"reference libraries", but I will give my word to the House that if any library wants a copy of the records of this House, it will be sent to them, without any cost at all.

MR. THORBERRY: Mr. Speaker, does that include union libraries, co-operative libraries, and so forth?

MR. FROST: Any library at all.

MR. CALDER: Mr. Speaker, I beg to move an amendment, that the motion be amended by adding thereto:

> "That the question of printing and distribution be referred to the printing committee of this House for analysis and report".

SOME hon. MEMBERS: Hear, hear.

MR. SPEAKER: It is the pleasure of the House to adopt the amendment? Call in the members.

The amendment was negatived on division.

For: 27

Against. 47

MR. FROST: The same division on the motion?

MR. GRUMMETT: I would like to raise a point on this. If you record us as voting against the motion, then strictly we are voting not to have any stenographic report taken. We are voting against the motion, and for the total abolition of the reports. It is a very cleverly-worded motion.

MR. SPEAKER: There is a motion before the House, and all I can do is receive a further amendment. Now, you are confronted with voting for or against the motion, as far as I am concerned.

An amendment was accepted by me, which amendment

was defeated. The only alternative is to present another amendment. My ruling is you must vote either for it or against it, with all that it implies.

Motion agreed to.

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MR. SPEAKER: Introduction of Bills.

APPEALS TO HIS MAJESTY

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a bill intituled, "An Act respecting Appeals to His Majesty in His Privy Council", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. EAMON PARK (Dovercourt): Mr. Speaker, would the hon. Minister (Mr. Porter) give us a brief resume.

MR. PORTER: This Act is complementary to the Act passed at the last Session of the Federal Government, to abolish appeals to the Privy Council. There are a number of Acts in the Revised Statutes which deal with appeals to the Privy Council, and when the Bill was passed in Ottawa abolishing appeals to the Privy Council, it was necessary that the Bills appearing in the Revised Statutes must be abolished also.

THE COMMORIENTES ACT

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend the Commorientes Act, 1940", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. J. B. SALSBERG (St. Andrew): Would the hon. Minister (Mr. Porter) please explain.

MR. PORTER: It all depends upon whom I am to explain to.

Mr. Speaker, this Act is modelled on a corresponding English provision. The Act was passed in 1940 originally, and certain amendments have been recommended by the conference of Commissioners on uniformity of Legislation in Canada, in 1939.

The Act is now in force in eight provinces, including Ontario. It was passed in this province in 1940.

The amendments of this Bill are recommended by the Uniformity Conference. There is no change in principle.

The amendments of subsection one and three of section one of the Act are intended to clarify the intent, and appear to be advisable from the reasoning of the House of Lords, in the case of Hickman versus Peacy, (1945), A.C. 304, a case which arose from the German "blitz" on London.

The main purpose of this Act originally was to provide that where two people died in a common accident, and where there is some doubt as to who died first -- and very often property rights flow from the situation as to whether one person pre-deceased the other -- the Act provides that the person who was older was the one who was presumed to have died first.

The only purpose of this amendment is to clarify certain wording of the Act, as a result of some doubts raised in regard to the decision in Hickman and Peacy.

These are all the recommendations made by the Conference of Commissioners on Uniformity of Legislation.

HON. L. M. FROST (Prime Minister): Mr. Speaker, before the Hon. Attorney-General (Mr. Blackwell) proceeds,

may I say that I would like to keep the arrangements and understandings we have with hon. members of the House. On Fridays we like to adjourn at 4:30, if we can. We did not anticipate the lengthy debate in connection with the first motion, but in order to get ahead, it is necessary we introduce Bills, following which the Hon. Attorney-General (Mr. Porter) and myself have rather important statements to make to the House, which I would prefer to make here.

If any of the hon. members have made arrangements on the understanding that the House would adjourn at 4:30, I think we can excuse them under the circumstances, and if there is anything of a contentious nature, we will let it stand over until Monday.

THE CROWN ATTORNEYS ACT

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a bill intituled, "An Act to amend the Crown Attorneys Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

THE LOAN AND TRUST CORPORATION ACT

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend the Loan and Trust Corporation Act, 1949", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

PARTNERSHIP REGISTRATION ACT

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Partnership Registration Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

AGRICULTURAL ASSOCIATIONS ACT

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Hamilton, that leave be given to introduce a Bill intituled, "An Act to amend The Agricultural Associations Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

FARM PRODUCTS GRADES AND SALES ACT

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Daley, that leave be given to introduce a Bill intituled, "An Act to amend The Farm Products Grades and Sales Act", and that same be now read a first time.

MR. T. K. FOSTER (Bruce): Mr. Speaker, would the hon. Minister (Mr. Kennedy) please explain the parts of the Act he intends to change.

MR. KENNEDY: They are just slight amendments. What the former hon. Prime Minister (Mr. Drew) would call "tidying up the Bill", and there is no change in the principle of the Bill.

Motion agreed to; first reading of the Bill.

LIVESTOCK AND LIVESTOCK PRODUCTS ACT.

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Goodfellow, that leave be given to introduce a Bill intituled, "An Act respecting Livestock and Livestock Products", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

FARM PRODUCTS MARKETING ACT

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Goodfellow, that leave be given to introduce a Bill intituled, "An Act to amend The Farm Products Marketing Act, 1946", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

STALLIONS ACT 1950

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Daley, that leave be given to introduce a Bill intituled, "The Stallions Act, 1950", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

WEED CONTROL ACT

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Doucett, that leave be given to introduce a Bill intituled, "The Weed Control Act, 1950", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

RESTRICTED AREAS FOR SEED POTATOES

HON. THOMAS KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by Mr. Daley, that leave

be given to introduce a Bill intituled, "An Act to provide for the establishment of restricted areas for seed potatoes", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

SURVEYS ACT

HON. H. H. SCOTT (Minister of Lands and Forests): Mr. Speaker, I beg to move, seconded by Mr. Kennedy, that leave be given to introduce a Bill intituled, "An Act to amend the Surveys Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

WESTERLY LIMIT OF HINKS LOCATION

HON. H. H. SCOTT (Minister of Lands and Forests): Mr. Speaker, I beg to move, seconded by Mr. Kennedy, that leave be given to introduce a Bill intituled, "An Act respecting the Westerly Limits of Hinks Location in the Township of Johnston", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

EQUAL PAY FOR EQUAL WORK ACT

MR. EAMON PARK (Dovercourt): Mr. Speaker, I beg to move, seconded by Miss Macphail, that leave be given to introduce a Bill intituled, "The Equal Pay for Equal Work Act, 1950", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

HOURS OF WORK AND VACATIONS WITH PAY ACT

MR. ROBERT THORNBERRY (Hamilton Centre): Mr. Speaker, I beg to move, seconded by Mr. Wismer, that leave be given to introduce a Bill intituled, "An Act

to amend The Hours of Work and Vacations with Pay Act, 1944", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

THE MARRIAGE ACT

MR. W. H. TEMPLE (High Park): Mr. Speaker, I beg to move, seconded by Mr. Dennison, that leave be given to introduce a Bill intituled, "An Act to amend The Marriage Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

HOURS OF WORK AND VACATIONS WITH PAY ACT

MR. L. F. K. FELL (Parkdale): Mr. Speaker, I beg to move, seconded by Mr. Thomas (Ontario), that leave be given to introduce a Bill intituled, "An Act to amend The Hours of Work and Vacations with Pay Act, 1944", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Mr.Speaker, before the Orders of the day -- perhaps I should say before moving the adjournment of the House -- I would like to make a statement preliminary to a statement which will be made by my colleague, the hon. Minister of Education (Mr. Porter).

. . .

It has been the custom of the Department of Education for a great many years past by regulation to make such changes in grants to the elementary and secondary schools as the same were required. This method was followed in 1945 when the very greatly increased grants were introduced. Since that time a number of changes have been made. As inequities appeared percentages have been altered, and last year a very considerable change was made in the system of grants for secondary schools. Due to the greatly increased grants in 1945 and following, grants were made to the School Boards at a much earlier date than had hitherto applied. Prior to that date the grants were made late in the year. In 1945 and following, because of the profound effect of the greatly increased grants on municipal taxation, very large portions of the grants were made early in the year with the balance early in the fall.

This year important changes are necessary and desirable. These changes are not fundamental but they are nevertheless very important and provide for the necessary adjustments which are required in our grant system. It has been the custom to announce such changes early in the year in order that approximately 4500 School Boards in the Province may do their budgeting for the year and make the necessary requisitions to Municipal Councils for the levying of taxes required for the year's operations. The purpose of this is to simplify municipal financing and not to hold up Municipal Councils in their important work. Changes are

udually announced early in February.

Due to the opening of the Session of the Legislature on the 16th February -- yesterday -- my colleague, the Minister of Education, felt that this year with changes which are fairly far-reaching that he should delay his announcement in order that the same might be made to the Legislature itself. This may not always be possible but this year, with the proximity of the opening of the Legislature, he felt it was desirable that this should be done, and his colleagues in the Government have concurred. And I am sure the hon. members in the house will concur.

As an introduction to his remarks, may I give a little background of the history of this matter, with all or which I have been intimately connected because the profound fiscal changes required have needed the concurrence of the Treasury, which in the end provides for the payments. One of the reasons why I like to save a little money, even if it be small.

In the fall of 1944, it was decided to proceed with very greatly increased grants to School Boards of this Province. At that time plans were made to increase the grants to secondary and elementary schools, which then amounted to something in the neighbourhood of $8,000,000 annually, to approximately $26,000,000. This increase of approximately $17,000,000 was a monumental advance in the treatment of education from a provincial standpoint. At that time, with others, I spent many days, indeed many weeks, with the late Dr. V. K. Greer and his assistants in considering

and formulating the system which would take effect for 1945. At that time it was recognized that there were many difficulties indeed. We were dealing with many hundreds of School Boards operating under varied conditions such as apply in a great Province such as ours. It was quite apparent that in undertaking so vast an operation that a perfect yardstich applies evenly across the Province was going to be difficult to find and that whatever system was devised would require amendment from time to time. These amendments, as stated, have been made in the ordinary course and I have no doubt that in changes being announced to-day there is not the finality that will come with them being perfect. No doubt changes and alterations will be needed in the future to fit the altering conditions in a rapidly-developing Province. I can assure the House and the people of this Province that we shall always be alert to methods by which we may effect improvement. Studies of this matter are presently being made by the Royal Commission on Education. There are ever-continuing studies being made in the Department of Education itself and in the Ontario College of Education and by educationists and those interested in municipal government who have devoted all of their talents and time to this important work. I say therefore we are constantly striving for betterment, and if it is humanly possible to achieve perfection the people of this Province may be sure that all of those whom I have mentioned are working to that end. I still have my voluminous notes in connection with the studies of five years ago with

Doctor Greer. In the past months in looking over these notes I have been impressed with how conditions have altered in the last five years. The hon. Minister of Education (Mr. Porter) will elaborate on these conditions. Up to that time the population and assessment of the great run of our urban communities had been static for many years. With the expansion which has taken place in this Province the character of communities has changed -- small towns have become large towns, large towns have become cities, and many rural communities have become urban.

We have great switches in population and alterations in assessments and values, with the result that the gradation system introduced in 1945 has become in the short period of half a dozen years antiquated and outdated. We have situations where the building of one new residence in a community or a slight change in assessment may alter the percentage of grants to communities at several points.

This also applies to an addition of half a dozen in population. As stated, in 1945, we were dealing with communities which had been static for years. These communities far and wide across the Province have altered and changed with quite fantastic results in grants brought about by the addition of a few people, which brings the community into a different category as regards grants. Since 1946 many alterations in the grant system have been made. It became apparent when estimating the requirements and appraising the situation for 1950 that more than mere amendments to the system

of 1945 were required and that we should change our grant system to more accurately meet the requirements of a great and expanding Province. With high birth rate during the war years, we are faced with large additions to our school population, all of which makes it necessary to make the changes to which I have referred.

Again I say that we by no means assert that what we are doing is the last word. We shall look forward to advice which we may receive from all quarters in days to come to better and perfect our system, and to achieve an approach to equality of opportunity to which this Province dedicated itself many years ago. It is interesting to look back in history.

Doctor Ryerson, the founder of our system of education, spent years of study before making his report, and there were more years before it was adopted. He himself said that it would take generations to bring about the achievement of the ideals to which he and people of his day had set their hand.

I can say this to the Members of this House, that in the last half dozen years the greatest advances in education have been made in all the history of this Province. We are leading America in reforms in education. We have come closer in these years to the achievement of the ideals of Doctor Ryerson than at any time since he made his report nearly one hundred years ago.

I am sure that the people of this Province can take great satisfaction from what we have done in these difficult days of war and its aftermath. To-day we are spending approximately 25 cents of every tax

dollar on education. We have witnessed in these years the completion or the commencement of over 600 fine new schools in Ontario. As I have stated, in 1945 we were dealing with grants to School Boards of approximately $26,000,000, which represented an increase of $18,000,000 over the year before. Some of the hon. members will recollect that. By last year this amount had risen to about $37,000,000, and this year -- 1950 -- the grants to the Boards in Ontario will be about $42,000,000. This has had a profound effect on education, in the position of teachers and their dependents, in school buildings and equipment, and above everything in approaching equality of opportunity.

One does not like to talk in terms of dollars altogether but the fact that we have increased our grants from $8,000,000 to $42,000,000 in these half dozen years is a measure of staggering achievement. We can ponder over what would have happened to education, to municipal tax rates, to the welfare of our young life upon whom the future depends, if this had not been undertaken. In so vast a reform errors were bound to occur, and as they have become apparent we have kept an open mind on the correction of the same. This is the policy we shall follow. Our minds will ever be open to methods of betterment.

I have referred to the long considerations which were given to the great changes in 1945. May I now refer to the long considerations which have been given to the changes which are now being made, and which will be effective this year, by the hon. Minister of Educa-

tion (Mr. Porter) and his very efficient staff.

The hon. Minister of Education (Mr. Porter) has checked the situation in the light of 1950. Days and weeks again have been spent in considering the vast variety of problems which arise in a Province as large as ours, and with all sorts of conditions, from those in our cities to those in pioneer communities on the frontiers of our Province. I want to express appreciation to the hon. Minister of Education (Mr. Porter) and to his staff for the painstaking care they have given, not only to this particular feature, but to all matters relating to the great field of education, which is so important to the people and the future of this Province. With this statement, the hon. Minister will give a general outline of the changes which are being made and the reasons for them.

(Page 54 follows)

HON. DANA PORTER (Minister of Education): Mr. Speaker, in the five years since a new plan of school grants was put into effect, there have been notable changes in conditions throughout the Province. The general rise in prices, accompanied by mounting school enrolments, has caused a marked increase in the cost of operating schools. This is reflected in the expansion of provincial grants from $26,600,000 in 1945 to $37,500,000 in 1949. The general increase of population, which is an important factor in the rising cost of education, has been characterized by an unusually heavy concentration in urban and suburban areas.

Few schools were built or replaced during the depression and the war years. Consequently, a tremendous and unavoidable building programme has been undertaken by the school boards to replace outmoded and dilapidated schools and to provide the additional accommodation required for a school population that is growing steadily and constantly shifting. School buildings, costing in total over $50,000,000, have been erected or are under construction and nearing completion.

Under the 1945 plan, costs approved for grant purposes were limited by ceilings. At the time these were adopted, they made liberal provision for both operating costs and debenture charges in most communities. Under changing conditions, however, it has become increasingly difficult for boards to build essential school buildings and, at the same time, keep their total annual costs below the maxima

accepted for grant purposes. It is clear, therefore, that it is no longer fair to apply the same ceiling to the expenditures of a board faced with the necessity of providing new accommodation in a period of high costs as is applied to the expenditures of a board whose responsibility is limited to maintenance operations.

For these reasons, certain alterations are being made in the grant regulations. A general announcement of these changes will reach all school boards within the next few days.

The new plan will separate grants on capital expenditures from the general grants; the same policy will be followed with respect to grants on transportation costs.

The 1945 grant plan provided only a limited number of grant percentage categories, with the result that a slight change in population, assessment, etc., sometimes caused a drastic change in the grants paid to a board. For example, a slight change in the assessment available to the board of a rural elementary school could and did change the grant percentage from 89 percent. to 71 percent., thus almost trebling the local share of the cost. The limited number of categories also created marked disparities in the grants paid to boards in comparable municipalities. Under the revised plan, the number of population categories for elementary school grants has been increased from six to seventeen, and the number of assessment categories has been increased from four to twenty-three. The categories for secondary school

grants are based on assessment per capita; the number of these categories has been increased from 13 to 21. As a result, slight changes in assessment or population will now cause only slight changes in the grants payable to the boards concerned and the marked disparities have been removed.

Under the 1945 plan, every item of revenue and expenditure of each of 4,500 boards necessitated very extensive calculations by boards, inspectors and the departmental staff. In the case of elementary schools, these calculations will now be simplified by basing a portion of the grant on the major expenditures, especially those for teachers' salaries, transportation and debenture charges. In place of the former grant on the minor expenditure of elementary school boards, a grant of $16 per pupil will be paid.

In the case of secondary schools, where such a wide variety of conditions is not encountered, the general grant will be a grant per pupil, varying from $40 to $150 according to the assessment per capita and the type of school which is operated.

Formerly the grant payable on a new vocational school differed in amount from the grant payable on a new collegiate institute or high school in the same community. In determining whether a new school should be vocational or academic, a board was tempted to select the type which would bring the larger grants rather than that which would be better suited to the needs of the community. Under the new plan, the grants on debenture payments will be the same for new vocational

and academic schools. These will vary inversely with the population, for, when a new secondary school is required in a small community, it usually must provide accommodation for the total secondary school enrolment. In larger communities, on the other hand, additions and new buildings are required to accommodate only a small portion of the total enrolment. Thus the per capita debenture load of new secondary school construction in a small community is heavier, and more assistance through grants is necessary.

The new plan is simpler and more equitable than the previous plan. It is more easily adjustable to meet changing conditions. It will go a long way towards removing or alleviating the difficulties which have developed in the application of the 1945 plan. At the same time, it will extend the principle of providing generous provincial aid in the support of public education.

The grants payable in 1950 under this plan will exceed $41,000,000. It is hoped that these and other available moneys for school purposes will be used effectively and with due economy by the school boards for the education of the children of the Province.

Today notices are being mailed to the boards of education throughout the Province, outlining the scheme of grants which will apply for the year 1950. Copies of these notices are also being distributed to each of the hon. Members of this House. These will give to the hon. Members of this House an opportunity to familiarize themselves with the details of the scheme of grants now

applicable.

It is apparent that there has been a marked improvement in different parts of the Province in the systems of assessments for taxation purposes. The more that progress is made in this direction, the more equitable will be the application of this scheme of grants. Every improvement in the system of assessment will improve the working of our present plan.

We fully recognize the extreme difficulty in adoptine one formula which will fully cover the various conditions found today throughout the Province. It may be impossible to expect that any one formula will provide the final solution to this complex problem. We believe that the present scheme is a forward step. It has the great merit of simplicity compared with the former method of calculating grants. The grants under this scheme can be more readily calculated by the school boards and will relieve the Department of a great deal of detailed accounting. It will, to a great extent, further smooth out inequities. Nevertheless, we fully recognize that further improvements from time to time must be considered. All suggestions and proposals towards this end, from every source, will be welcomed. Education is not a privilege of any one group. It is the right of all our children. All those who have a direct and indirect interest in the educational system of Ontario can contribute by suggestion and by criticism to the steadily continuing improvement of the school grant regulations.

MR. SPEAKER: Orders of the Day.

HON. D. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following: The Public Accounts for the Province of Ontario for the fiscal year ended the 31st of March, 1949.

The report of the Provincial Auditor for the fiscal years ended the 31st of March, 1949.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the adjournment of the House, and in so doing, may I say to the hon. members opposite that it is our intention on Monday to proceed with Bills. I would not be so optimistic in saying that the Session will be a short one. I made that forecast for today, and this is the longest Session we have had for a long time.

It is our intention on Monday to proceed with Bills, and on Tuesday the moving and seconding of the address in reply to the Speech from the Throne.

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, may I ask the hon. Prime Minister (Mr. Frost), if it is contemplated meeting earlier on Fridays.

MR. FROST: Yes. I may say we would have met earlier today, had we anticipated the lengthy debate on the first motion. However, we were met with another complication. In connection with the opening ceremonies of the House there were matters today to attend to, which made it difficult to do that. We will do it hereafter.

Motion agreed to; the House adjourned at 5:18 o'clock p.m.

VOLUME 3.

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTIETH DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK P.M.

Toronto, Ontario,
Monday, February 20, 1950,
3.00 o'clock p.m.

3.00 o'clock p.m.

And the House having met.

Prayers.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

CLERK ASSISTANT: The following Petitions were read and received:-

Of the Corporation of the Town of Port Hope, and the Corporation of Trinity College School, praying that an Act may pass validating and confirming an agreement made between the said Corporations bearing date the 2nd day of August, 1949, whereby the Corporation of the Town of Port Hope agreed to convey a certain portion of the Town Park to the school for the purpose of building an artificial ice arena thereon; and whereby

the Corporation of the School agreed to convey a certain parcel of the land adjacent to the Town Park to the Town in exchange for the aforementioned parcel.

Of the Corporation of the City of Hamilton, praying that an Act may pass confirming certain by-laws of the Corporation and a certain agreement between the Corporation and the Hamilton Police Benefit Fund respecting the winding up of the said Fund,

Of the Corporation of the Town of Parry Sound, praying that an Act may pass declaring null and void a certain restrictive covenant known as the Beatty Covenant contained in certain indentures affecting the lands, set out in Schedule A to this petition.

Of the Corporation of Canada Conference Evangelical Church, praying that an Act may pass changing the name of the Corporation to The Canada Conference The Evangelical United Brethren Church.

Of the Trustees of the Police Village of Malton, praying that an Act may pass incorporating the lands described in the proposed Act as a Town to be known as the Town of Malton.

Of the Corporation of the City of Port Arthur, praying that an Act may pass amending sub-section 3 of section 3 of chapter 91 of Statutes of Ontario, 1906, "An Act respecting the Town of Port Arthur" by striking out all the words after the word "purposes" in the eleventh line thereof and substituting therefor the words "provided that the said Corporation subject to the Bonus Limitations Act, may sell or lease any part of the said lands that is not required for the purposes aforesaid to any person and any moneys realized from such sale

or lease shall form part of the general funds of the Corporation," and further to repeal section 5 of chapter 81 of Statutes of Ontario, 1923.

Of the Corporation of the City of London, praying that an Act may pass confirming certain agreements between the Corporation, the Canadian National Railway and the Western Fair Association; and for other purposes.

Of Rev. John A. Van Buuren, Rev. Alphonse I. M. Van der Vorst & Rev. Joseph J. Coppens, praying that an Act may pass incorporating them under the name of the Congregation of the Priests of the Sacred Heart.

Of the Corporation of Central Canada Exhibition Association, praying that an Act may pass amending its Act of Incorporation as amended from time to time.

Of the Corporations of the Border Cities Young Men's and Young Women's Christian Associations, praying that an Act may pass amending the Corporations' Act of Incorporation so as to exempt the Corporations' lands, etc. from taxation for school purposes.

Of the Corporation of the Hospital for Sick Children, praying that an Act may pass giving the Corporation power to increase the membership of the Board of Trustees and to increase the powers of the said Board in respect to certain matters of internal management.

Of the Corporation of the Ottawa Young Men's Christian Association, praying that an Act may pass removing the limitations upon value, and the manner in which, and where in Ontario, the Corporations may acquire and hold real estate, and to enlarge the Corporations's exemptions from taxation upon real

real estate.

Of the Trustees of the Mount Hamilton Branch of the Canadian Legion and of the Commissioner of the Governing Council of the Salvation Army of Canada East, praying that an Act may pass validating an agreement for sale of certain lands and premises by the Salvation Army to the Mount Hamilton Branch of the Canadian Legion free of all the trusts contained in a certain Indenture dated 23rd June, 1860 and registered in the Registry Office in Registry Division of Wentworth in book for Township of Barton No. D 234.

Of the Corporation of the Village of Long Branch, praying that an Act may pass enabling the Corporation to establish a pension plan for its employees and erecting the said Village into a Town.

Of the Corporation of the City of Welland, praying that an Act may pass confirming an Order of the Ontario Municipal Board, dated September 27th, 1949, annexing certain lands in the Township of Crowland to the said City.

Of the Corporation of the City of Windsor, praying that an Act may pass re-constituting the Board of Governors of the Metropolitan General Hospital; and for other purposes.

Of the Corporation of the City of Toronto, praying that an Act may pass authorizing the said Corporation to pay medical and hospital expenses of retired employees of the Fire Department arising out of injuries received during their employment, and for other purposes.

Of the Corporation of the Township of Cornwall, praying that an Act may pass validating and confirming a by-law of the said Corporation, No. 1618 for the year 1949 and an

agreement dated 7th March, 1949 between the Corporation and the Ottawa and New York Railway Company and the New York Central Railroad Company.

Of the Corporation of the City of Guelph, praying that an Act may pass authorizing the Corporation to appoint a Board of Management for the Guelph Memorial Gardens.

Of the Incorporated Synod of the Diocese of Ottawa, praying that an Act may pass authorizing the said Corporation to invest its funds and all trust funds held by it, in such securities as are now, or shall hereafter be authorized investments for Joint Stock Insurance Companies and Cash Mutual Insurance Corporations under the Companies' Act of Ontario, and to alter and vary such investments from time to time by substituting others of like nature.

Of the Corporation of the City of Ottawa, praying that an Act may pass amending the City of Ottawa Act, 1949, for the purpose of detaching all the lands in the Township of Nepean from the Registry Division of the County of Carleton and attaching them to the Registry Division of the City of Ottawa for the purposes of the Registry Act, and for other purposes.

Of the Trustees of the United Church of Canada, the Trustee Board of the Presbyterian Church in Canada, the Corporation of Knox College, and the Corporation of Victoria University, praying that an Act may pass confirming a certain agreement vesting the Knox College Library in Knox College and certain archives in Victoria University.

Of the Corporation of the Township of East York, praying that an Act may pass confirming by-law No. 5221 of the said Corporation, providing for an increase in the number of mem-

bers of Council: and prohibiting annexation of any part of the said Township for a period of five years.

Of the Corporation of the Town of Leamington, praying that an Act may pass confirming a by-law of the said Corporation to establish a Public Utilities Commission and for other purposes.

Of the Corporation of the Town of Alexandria, praying that an Act may pass to ratify and confirm the purchase by the Corporation of the Glengarry Mills properties and water rights and the sale of the mill property not required for the Corporation's purposes, and to authorize the use and diversion of waters of the River Garry and Loch Garry for the purposes of the Town's Waterworks and water supply in lieu of the use thereof for mill power purposes.

Of the Corporation of the Town of Riverside, praying that an Act may pass withdrawing the said Town from the jurisdiction of the County of Essex.

Of the Corporation of the Township of North York, praying that an Act may pass ratifying and confirming an agreement between the Corporations of North York, Markham, Vaughan, the Village of Richmond Hill and the Toronto Transportation Commission, dated the 2nd day of January, 1950. for the operation of a motor bus service on Yonge St. from the northern limit of the Village of Richmond Hill to the northern limit of the City of Toronto; and for other purposes.

Of John B. McCuaig praying that an Act may pass incorporating the Improvement District of Ojibway Islands.

Of the Corporation of the Administration and Trust Company of the City of Montreal, praying that an Act may pass permitting it to be registered under the provisions of the Loan and Trust Corporation's Act of Ontario for the purpose of carrying

on business in Ontario as a Trust Company only.

MR. SPEAKER: Presenting Reports by Committees.

Motions.

HON. LESLIE M. FROST (Prime Minister); Mr. Speaker, I beg to move the following motions in relation to the Standing Committees of the House.

I beg to move, seconded by Mr. Doucett:

That Select Committees of this House, for the present Session, be appointed for the following purposes:

1. On Privileges and Elections;
2. On Education;
3. On Miscellaneous Private Bills;
4. On Standing Orders;
5. On Public Accounts;
6. On Printing;
7. On Municipal Law;
8. On Legal Bills;
9. On Agriculture and Colonization;
10. On Fish and Game;
11. On Labour;
12. On Mining.

Which said Committees shall severally be empowered to examine and enquire into all such matters and things as shall be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

MR. E. B. JOLLIFFE (Leader of the Opposition): There is no change from last year?

MR. FROST: No.

MR. E. B. JOLLIFFE: The same Committee?

MR. FROST: Same Committee.

Motion agreed to.

MR. FROST: Mr. Speaker, arising out of that motion, and to make that motion effective, I beg to move, seconded by Mr. Doucett, the following motion in relation to the Select Committees of the House:

> That a Select Committee of eleven Members be appointed to prepare and report with all convenient despatch lists of the Members to compose the Select Standing Committees ordered by the House, such Committees to be composed as follows:
>
> Messrs. Cathcart, Chartrand, Grummett, Hall, Morrow, Murdoch, McEwing, Patrick, Pringle, Stewart and Taylor.

The same as last year, with one exception.

Motion agreed to.

MR. SPEAKER: Introduction of Bills.

FAIR EMPLOYMENT PRACTICES

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I move, seconded by Mr. MacLeod, that leave be given to introduce a Bill intituled, "An Act Respecting Fair Employment Practices", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

ELECTIONS ACT

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, I move,

seconded by Mr. Salsberg, that leave be given to introduce a Bill intituled, "An Act to Amend the Elections Act" and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

RIGHT TO VOTE ACT

MR. J. B. SALSBERG(St. Andrew): Mr. Speaker, I move seconded by Mr. MacLeod, that leave be given to introduce a Bill intituled, "An Act to extend the Right to Vote at Municipal Elections to the Classes of Persons that may Vote," and that the same be now read the first time.

MR. SPEAKER: It has been drawn to my attention that on page 2 of the Routine Proceedings there is a motion to that effect submitted by the hon. member for Beaches (Mr. Scott) which is exactly the same as a Bill which has been introduced by the hon. member for St. Andrew (Mr. Salsberg). With that motion on our agenda, it seems to me it is impossible to entertain this motion as presented by the hon. member for St. Andrew (Mr. Salsberg).

MR. SALSBERG: May I draw your attention to the fact that a year ago when we were in Session, a similar motion was also on the order paper and a similar bill was nevertheless allowed to be introduced, or, as the hon. member for Bellwoods (Mr.MacLeod) reminds me, that the bill was introduced first and then a motion was allowed to be placed on the order paper. In other words, the principle had been established that both could be before the House at almost the same time.

MR. SPEAKER: I am advised that the hon. member for St. Andrew (Mr. Salsberg) is taking advantage of an oversight which occurred last year, and it is not right that that should be.....

considered as a precedent which could be followed through. I think we must abide by the rules that are laid down, and if an oversight did occur, I will appreciate it if the hon. member (Mr. Salsberg) would withdraw.

MR. SALSBERG: I will be guided by the rules of the House.

F A I R E M P L O Y M E N T P R A C T I C E S A C T

MR. H. L. WALTERS (Bra con dale): Mr. Speaker, I move, seconded by Mr. Park, that leave be given to introduce a bill intituled, "Fair Employment Practices, 1950" and that same be now read the first time.

L I Q U O R L I C E N S E A C T

MR. C. H. MILLARD (York, West): Mr. Speaker, I move, seconded by Miss Macphail, that leave be given to introduce a Bill intituled, "An Act to Amend the Liquor License Act , 1946", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. SPEAKER: May I draw attention to the hon. members that after today it will be necessary for us to have the usual two days' notice on bills to be presented. We have allowed that in order that the business of the House be expedited, and it was mutually agreed that we should proceed with business on Friday, on the presentation of bills. I would suggest that on either Government bills or Private Members bills, the usual two-day notice be given in order that there will be no argument.

M I N I M U M W A G E A C T

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, I might say, I am in order, because I gave notice on Thursday although

I was not here. I move, seconded by Mr. Salsberg, that leave be given to introduce a bill intituled, "An Act to Amend the Minimum Wage Act", and that same be now read the first time.

The motion agreed to; first reading of the bill.

HOURS OF WORK AND VACATIONS WITH PAY ACT

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I move, seconded by Mr. MacLeod, that leave be given to introduce a bill intituled, "An Act to Amend the Hours of Work and Vacations With Pay Act, 1944" and that the same be now read the first time.

MR. H. M. ALLEN (Middlesex South): Is this something new?

MR. SALSBERG: It will be new until it is enacted.

The motion agreed to; first reading of the bill.

WORKMEN'S COMPENSATION ACT

MR. T. H. ISLEY (Waterloo, South): Mr. Speaker, I move, seconded by Mr. Robinson, that leave be given to introduce a bill intituled, "An Act to Amend the Workmen's Compensation Act" and that same be now read the first time.

Motion agreed to; first reading of the bill.

PUBLIC SCHOOLS ACT

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, I move, seconded by Mr. Salsberg, that leave be given to introduce a bill intituled, "An Act to Amend the Public Schools Act" and that same be now read the first time.

Motion agreed to; the first reading of the bill.

HOURS OF WORKK AND VACATIONS WITH PAY ACT

MR. J. B. SALSBERG:(St. Andrew): Mr. Speaker, I move, seconded by Mr. MacLeod, that leave be given to introduce a

bill intituled, "An Act to amend the Hours of Work and Vacations With Pay Act, 1944" and that same be now read the first time.

Motion agreed to; first reading of the Bill.

(B-1 follows)

MR. SPEAKER: Orders of the Day

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, before the Orders of the Day, I am sure the hon. members of the House would want me to express our sympathy to one of the hon. members of this House who has been bereaved, and to one of the very faithful servants of this House who has likewise been bereaved.

The hon. Minister of Welfare (Mr. Goodfellow) lost his father last night. He was an old veteran of 85 years of age, who had attained the span of 63 married years. I know the hon. members of this House would want me to express our sympathy to hon. Mr. Goodfellow, and his family, on his bereavement.

I may also say that our good Clerk of the House, Major Lewis, sustained the loss of his sister last night, the second bereavement in two weeks.

I think Major Lewis is an example of the devotion of the public service to public duty. After all, there are 90 hon. members of this House, and if any of us are ill or bereaved, or something else occurs, it is possible and proper for us to be away. With the Clerk of the House it is a little bit different. It is difficult for him to be away. He is an example of the old saying, "The show must go on", and he is here today doing his job, and I want to express to him the great sympathy of the hon. members of this House in his bereavement.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I am sure that all of us will not hesitate for a moment in agreeing with what the hon. Prime Minister (Mr. Frost) has said, and extend our sympathy to the hon.

Minister of Welfare (Mr. Goodfellow) in his bereavement, and to the Clerk of this House in the misfortune he has suffered,

That, I am sure, is the sentiment which is unanimous in the House today.

MR. S. J. HUNT (Renfrew North): Mr. Speaker, before the Orders of the Day, there is a little matter I would like to bring to the attention of the hon. members of this Legislature.

According to the biographical sketch I hold in my hand, one of the hon. members of this Legislature should be celebrating his one hundred and thirty-eighth wedding anniversary today.

SOME hon. MEMBERS: Oh, oh.

MR. HUNT: It is recorded that on the 20th of February, 1812, one George Harrison Dunbar was united in marriage --

SOME hon. MEMBER: That must have been the first time.

MR. HUNT: I did not realize that Mr. Dunbar had attained that great age. However, I take it that is a printer's error, and should read "in 1912", but I think this day should carry particular significance, and I am sure I am speaking for all the hon. members of the Legislature when I extend to hon. Mr. Dunbar, and through him to Mrs. Dunbar, our heartiest congratulations on their wedding anniversary, and our hope that they may be spared for many years together in the years that lie ahead of them.

SOME hon. MEMBERS: Hear, hear.

Hon. GEORGE H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I wish to thank my good friend, the hon. member for Renfrew North (Mr. Hunt). He comes from the town of Pembroke, where I was fortunate in meeting my wife 38 years ago.

MR. E. B. JOLLIFFE (Leader of the Opposition): That was not in the war of 1812?

MR. DUNBAR: It is a long time when you look forward, but a short time when you look backward.

My remarks will be very brief, but I want to say if I were going through life again, I would like to meet the same girl, and have her for my wife, not only for 38 years, but for 68 years, if that were possible.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: What does she say about it, George (Mr. Dunbar)?

SOME hon. MEMBERS: Hear, hear.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, we will proceed, with the permission of the House, with the second readings which are on the Order Paper.

I may say that we will only proceed with the items which have "printed" marked after them, and if it should so happen they have not been in the books for a sufficient time to enable the hon. members to look them over, simply let us know, and we will hold them out.

We will proceed now with Order No. 2.

ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

CLERK OF THE HOUSE: Second Order; second reading of Bill No. 35, "An Act to incorporate the Ontario

Municipal Improvement Corporation", Mr. Dunbar.

HON. GEORGE H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I beg to move second reading of Bill No. 35, "An Act to incorporate the Ontario Municipal Improvement Corporation".

MR. E. B. JOLLIFFE (Leader of the Opposition): Is the hon. Minister (Mr. Dunbar) going to speak?

MR. DUNBAR: I did not think it was necessary to speak on this. However, I will say that this is a corporation set up within the Treasury Department, composed of three members of the Treasury Department. When a municipality decides to issue debentures for the construction of sewers or a sewage disposal plant, installing a water system, or a purification plant of a water system, or an incineration plant for the incineration of garbage or refuse and waste of all kinds, and also to apply the Municipal Draining Act, they can make application to this corporation.

That is, when a municipality feels that they cannot do as well in the general money market, they can apply to this corporation after they have gone to the Municipal Board, just the same as if they were selling debentures to any bond house.

Then, when passed by the Municipal Board, they may apply to the corporation, and may get the money required at a carrying charge as close to what the government is paying for money as is possible. It is not the intention to make any profit whatsoever in the transaction, for the government.

That applies also under the Public Utilities Act, where a plant, or any part of a water works system may be held in security for the debentures. We did not mention that in this case at all. We want to have no strings on the debentures. We want to loan the municipalities the money at the lowest rate possible, in order to assist them in supplying the needed services, as health measures.

Somebody might say, "Well, this will not affect a great number of municipalities". It might not affect some of the larger municipalities, but it will have a levelling-off effect in the smaller municipalities, because when the bond houses feel that the government is prepared to purchase debentures for these works at a certain price, they will not likely be offering a lower price for other debentures, such as for schools, local improvements, other works, and so forth. So we feel it will have that effect in balancing off, when they can say: "This will be about the price of the debentures".

But if a large municipality, like Ottawa, Toronto, Windsor, Hamilton and Port Arthur, and places like that wish to apply, they may do so, although it may not be of very great benefit to them. Windsor, however, has already applied for a loan through this corporation. It is open to every person, and is a matter to be decided by the various councils.

Under the Drainage Act, there always was the power to borrow up to $40,000. In the same way, through the Treasury Department, and that will be done in this way,

because it will not be necessary to go the Treasury Department. There will be no selling of them at all. If there is $50,000. or $60,000. or $75,000. required for a municipal drainage scheme, the money will be advanced by this corporation.

You may say, "Why not repeal the Act then?". There is one council which still has debentures outstanding, and we thought it would be better to leave it as it is for the present. I refer now to Marytown, in the County of Welland. That is the only municipality with outstanding debentures for drainage, at the present time.

May I say, Mr. Speaker, that on Thursday I did not want to reply when there was so many visitors here, but I heard the hon. member for High Park (Mr. Temple) say: "More social legislation". It was on the tip of my tongue to say that the word begins with the same letter. I did not want him to think I did not hear it. As my hon. friend from Renfrew North (Mr. Hunt) said, according to the records in the book, I am rather old but my hearing is fairly good.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I do not think this is a very contentious measure, but at the same time, it is not an unimportant measure, and there are one or two things I would like to say about it. I think also there are some other things which some other hon. members may wish to say in regard to it.

It is one approach to a developing problem in this Province. There are a number of municipalities

which are experiencing a rapid growth of population, and that is creating conditions where certain municipalities which should have a waterworks system and a sewage disposal system have not got them as yet.

I realize that some progress has been made in the last year or two, but I think I can say without being critical of any one municipality, we are a bit behind the times in Ontario as too many municipalities which ought to have water and sewage works by this time have not yet received them. Unless the process is speeded up, I think there is some danger to the standards of sanitation in many areas.

As the hon. Minister (Mr. Dunbar) has said, apparently the facilities mentioned in this Bill will be open to any and every municipality in the Province, and I gather it will be resorted to more by the smaller towns and townships than by the larger centres. That may or not be correct. It may be that Windsor will not be the only large city seeking assistance in this way.

There are some things that I think we would appreciate more information about. It may be that at a later stage in regard to this Bill, the hon. Minister (Mr. Dunbar) could tell us just what the average rate of interest being paid will be on debentures now by the municipalities which have undertaken works of this kind. I know that fact is affected by the fact that some of the municipalities have had to sell their debentures below par, and that is a factor that enters into the problem. In some cases it is a serious one, because

there have been some rather small issues.

As I understand the intention of the government, these facilities will be open to any and every municipality, subject, of course, to approval by the Ontario Municipal Board, and the debentures, as I understand it, will be purchased at par.

Perhaps the hon. Minister (Mr. Dunbar) could also now, or at a later stage, indicate what he thinks the rate of interest will be, let us say, this year. He may not be able to tell us what it might be in a later year, but I am sure in preparing the Bill, the Department must have made a survey of the situation, and could perhaps tell us what rates are anticipated this year. I believe this would be helpful, if an estimate could be made of the saving which can be effected by this sort of scheme.

I think it is a constructive form of co-operation between the Provincial Government and the Municipal Government, and I think we may need more of this sort of thing, this kind of co-operation between two different levels of government, which will result in economies to the people of this Province.

We will support this Bill because we think it will result in economy and some better handling of the municipal debentures' issue.

There is another word I could add, and that is, I do not think co-operation should stop at this point. This Bill relates to financing particular kinds of work, but to protect the ratepayer, and to assure the building

of a proper kind of work, is it not desirable to give a little more assistance and co-operation to the municipalities in preparing for, in designing, and deciding upon the kind of undertaking they can afford?

Very broadly, what I have in mind is this; that I know that all the works of this kind must be prepared by the Department of Health. I think we are all aware of that, but, at the same time, after the experiences with cities, towns, and rural townships of all shapes and sizes over the years, it must be possible by now to provide the municipalities with the plans for suitable undertakings, having reference to the size and natures of the municipalities, and which would save them some of the money which is now spent in engaging engineers and other consultants. It is not quite the same thing as financial co-operation with the municipalities.

I think an excellent job is being done by some of the officials of the Department of Health, whom I believe give excellent advice to the municipalities, but something more than advice might enable them to cut down the cost of building sewage-treatment plants, or installing waterworks.

I put forward that suggestion for the consideration of the hon. Minister (Mr. Dunbar). Some of us believe that the Provincial Government should provide even more practical engineers who will assist the municipalities in tackling these problems.

The problem is an important one, because with our population growing as it is today, more and more

municipalities, year by year, will be faced with the necessity of putting in water and sewage disposal plants. And we do hope that the sewage plants they put in, will be of the modern and advanced type, and not of the kind which we have in some of the municipalities today. I think the hon. Minister (Mr. Dunbar) knows some of those to which I refer.

MR. DUNBAR: It is difficult to say exactly what the rate will be, but it will be whatever the borrowing rate is. I would say it would not go over three and one half percent. I was hoping it would be perhaps three and one quarter percent.

The hon. Leader of the Opposition (Mr. Jolliffe) mentioned one very important point, that is, when the debentures are being sold at a discount. I can think of one instance. The first was at Mattawa, about which you no doubt have heard, where they best offer they could receive was 94, and they were offering four percent. This will give them one hundred percent, give them par. Of course, they will receive more than that rate of interest. They had on their debentures "four per cent.", but we are not charging them four percent., so they will receive a premium. We will not charge one municipality three and one half percent., and another four percent., because their debentures are offered for four percent. But we can pay them a little premium, and it will amount to a little more than one hundred percent., and will also save them the trouble of changing their debentures.

So far as the engineering part is concerned; that

is pretty well looked after. They first apply to the Municipal Board, and we have two splendid engineers on the Board, who have had years and years of experience in engineering in connection with city works in the towns and country, so their advice to the municipalities is always beneficial, and is always there for the asking. Sometimes, they get it without asking. When they come along for the money, the engineers are compelled to tell them that the scheme does not look right, that it is too large for the population, or for the assessment, and so forth. I think these things are all covered except the engineering part. That would be impossible, I feel. You have to have an engineer right on the job while the work is going on to check and see that everything is properly installed, and the work is properly done, so it would require a lot of engineers in every department, who would not only have to plan the work, but oversee it. To me that would seem to be almost utterly impossible.

MR. J. G. BROWN (Waterloo North): Mr. Speaker, when I first read the pronouncement of the hon. Prime Minister (Mr. Frost) in connection with this project some months ago, I received it with some misapprehension, because I rather felt it would be a wide open affair, and something the municipalities would seek to make capital expenditures on projects which possibly would not be essential, but since he has advised us that, first of all, we must have the approval of the Ontario Municipal Board, and, secondly, since it is to apply to only the four projects named in the Bill, a great deal of my objections have been eliminated.

I think in the first place, the limitation of it, more or less from the standpoint of the credit rating of my own riding and those in our immediate neighbourhood was such that I could not see how the Province of Ontario would be able to buy these debentures from the municipalities at a cheaper rate than we could issue them for ourselves, and I think he will appreciate this, and I am quite sure that it will only be for a few of these isolated cases. As the hon. Leader of the Opposition (Mr. Jolliffe) has said, it will only refer to the villages and smaller towns whose credit rating might not be so good, who will be taking advantage of this privilege.

I would like to enquire of the hon. Minister (Mr. Dunbar) whether or not these debentures by these municipalities will be offered for private sale before they will be accepted by his department, under this scheme.

MR. DUNBAR: Not necessarily, Mr. Speaker. They can go directly to this corporation. They do not have to offer them to the public at all. They can go directly to the corporation.

MR. WILLIAM DENNISON (St. David): Mr. Speaker, I am glad to hear the hon. Minister (Mr. Dunbar) give us that assurance. It seems to me, if the Province of Ontario is going into the business of buying debentures from municipalities, it should apply right across the board, and it should apply whether they have previously tried to sell them to private dealers or not.

I wonder if the hon. Minister (Mr. Dunbar) has fully looked into the possibility of objection being taken

to the Province going into this venture? It seems to me this is the type of legislation one would normally expect from this side of the House, not from that side.

I trust, when this legislation is passed -- as I know it will be by all sides of the House -- and given royal approval by the Lieutenant-Governor, the Government will proclaim it, and not permit it to die as happened in connection with one piece of previous legislation passed in this House in 1944.

As the hon. Minister (Mr. Dunbar) will remember, one piece of legislati n was never proclaimed. In 1944 we were going to loan service men and women money to prevent them losing their life insurance, and to prevent them from losing their homes through mortgage foreclosures, and to assist them in other financial difficulties, of course, at six percent, interest. We did not agree with the six percent, interest, but we supported the legislation. It was good legislation. We were amazed that the next year the Government, through some pressure or from changing their minds, had decided to withdraw the legislation, and it was not proclaimed, and last year, this House was asked to wipe it off the books.

I trust the hon. Minister (Mr. Dunbar) will show his fighting spirit in this connection, and not permit himself to be sidetracked from the project he has announced to us. It seems to me it is only logical that the Province should share its ability to borrow at a lower rate with these municipalities which are growing so rapidly, and whose credit is not as strong as it will be later on.

I would like to say this in closing, Mr. Speaker; I wonder what the reason is for limiting it to $50,000,000. It is probably that $50,000,000. might be sufficient in the immediate future, but if the legislation is good, and necessary, and required, why place a limitation on it, and say: "When the $50,000,000. is used up, we will not let any other municipalities get in on this opportunity."

Perhaps the hon. Minister (Mr. Dunbar) might consider eliminating that restriction.

MR. G. B. ELLIS (Essex North): Mr. Speaker, I think this is a very fine piece of legislation, something which has been badly needed by our municipalities for some considerable time. When our larger municipalities find themselves in a position where they cannot float debentures on the open market, and yet are faced with growth of the municipality, where it is absolutely essential to provide improvements, they cannot finance them. We are most happy to see that the Government has faced this issue to the extent it has.

However, I am one of those who feel that it is not going far enough. While it is very essential we have this money for municipalities which require waterworks and sewage disposal plants, and so on down the line, I feel there is another great need in many municipalities -- and I am speaking particularly for my own -- where we have had a tremendous growth within the residential area, and we find it absolutely impossible to secure the money to finance local improvements. As a consequence, very desirable residential districts have grown up on unpaved

streets with no sidewalks, and without money to provide them, if the municipalities are not in a position to float debentures under the Local Improvement Act.

That is the difficulty we find ourselves continually faced with, whereby we have to deny very large new sections in our municipality of the necessary improvements, improvements they could well afford to finance, if the municipalities were in a position to float debentures.

I am inclined to think this is a step in the right direction where such municipal works, as the laying of pavements, and so on, can be approved by the Municipal Board, then under the provision of this Bill, they can apply to this commission to secure the money, where such work as this was impossible in any municipality which has had a great growth in recent years.

While it may be true that a great majority of them can float debentures -- I do not know whether they can or not -- I definitely know that in the city of Windsor we cannot. While we cannot do it, the city of Windsor is not in financial default. Our position has improved materially -- I am sure the hon. Minister (Mr. Dunbar) will agree with that -- but still money is not available to the corporation, and we find many times we have to operate under an agreement with Ottawa with respect to housing, by way of the Central Mortgage Corporation, to get the necessary improvements, sewers and water, pavements, sidewalks and streets.

I am inclined to think if these local improvements can be considered by the Municipal Board if necessary, and

if the municipality is in a position to finance over 20 years, why not extend this legislation to cover that type of work?

As I said before, I think the legislation is very excellent as far as it goes, but I want to say a few words with respect to our sewage-treatment works. This brings up a large problem, and I am sure the hon. Minister (Mr. Dunbar) will agree with me that it is far out of reach of the great majority of the municipalities, that is in relation to the sewage disposal plants within the confines of great municipalities which are now dumping sewage into our rivers, lakes and streams.

Just as an example; we have made an intense study in Windsor, because we feel one of these days the International Joint Commission will inform us we must take our sewage out of the Detroit River, and when that day comes, we are faced with the expenditure of some $25,000,000., and we question whether our city will be in a financial condition to finance an expenditure of that magnitute, should it come to that. If that day comes, we shall have to have more power than just to borrow the money. The Government itself will have to step in and assist in bringing about a proper disposal of the sewage of our municipality.

I think a great majority have some sewage-treatment plants, but those who have not, will demand them in the near future.

(Take C-1 follows)

I only bring that in because I think the government is quite aware of that problem and I think you will agree that that problem is greater in some municipalities and in the very near future we will be faced with a solution to it. I think that legislation is a move in the right direction, on that is badly needed, and the only think I have to say about the Bill is, it does not go far enough and I hope the government will see fit to extend these type of loans on a greater plan than they have at the present time.

HON. GEORGE H. DUNBBAR (Minister of Municipal Affairs): Mr. Speaker, the hon. member for St. David (Mr. Dennison) mentioned something about, he hoped that this "would not be held," or something of that nature. If you will look at section 15 of the Act, you will find:-

"This Act will go into force on the day it receives Royal assent."

That settles that part of it. I hope that the joint commission will not be as severe as you mention, that they will not ask you to take the sewage out of the river, just prevent you from putting it in.

MR. C. H. MILLARD (York, West): Mr. Speaker, it has been mentioned here in this Chamber that this is to assist the small municipalities who do not have the assessment--

MR. DUNBAR: Any municipality.

MR. MILLARD: And, therefore, less credit rating to borrow on the open market, and they will have that avenue opened up to them. It seems to me that one of the things that is distressing and causing concern to some of the municipalities is another type of construction which is generally regarded to be of equal importance to the question of sewage and water and that is the question of education. Some of the small municipalities are finding it very difficult, even when they get their debentures o,k'd, first of all, through plans approved by the Department of Education and

their debentures o.k'd by the Municipal Board;

to borrow without paying a very high premium and, in some cases, higher rates of interest. Of course, that is a cost which eventually comes back on the province through the grants system of assisting these municipalities onthe amount of capital returned and the interest paid each year. I suppose that that system will prevail until the new system of grants which has now been announced by the hon. Minister of Education (Mr. Porter). I am wondering, Mr.Speaker, why the government has left it particularly for small school building projects where municipalities find it most difficult to float debenture loans for the constructions of schools. They go through the same process as for those works outlined in the Bill. In other words, they have to go to the department, they have to go to the Municipal Board and then they have to go to the open market, but on these projects they will have an avenue through which they can get money without a penalty because of their local situation and the fact that they are small municipalities. I am wondering, therefore, why the building of schools which is a cost on the ratepayer---if approved by the government in two respects, namely, the department concerned and the Municipal Board---and yet they do not have the same avenue for assistance that they have in regard to sewage and water. I regard education, and, therefore, the cost of education, as of equal importance to the question of water and sewage.

HON. G. H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I think I might answer the hon.member (Mr. Millard) in this way. I think the change in the grants for education introduced by the hon. Minister of Education (Mr. Porter) will cure a lot of those ills you have mentioned in the smaller municipalities. You will notice in the sewage

and water works, drainage, etc., they are paying 100 percent. where that demand for the building of schools in townships and smaller municipalities, the grantsfrom the Department of Education are very high and now, with the grant assured on the construction---it was not before because when they had reached the ceiling for the grant there would be nothing, perhaps, to apply on the construction. Therefore, for those hon. members of the House who may have been a little nervous about that, I think it will disappear entirely with the grants guaranteed on the construction and the high percentage which is being paid to the smaller municipalities for the construction of the schools, I do not think it enters into the same category at all as the sewer and water works, etc. The hon. member for Essex North (Mr. Ellis) struck the important points. How this started in the first place was through pollution. In order to encourage people to build such disposal plants, sewers and so on like that, I think the hon. member for York West (Mr. Millard) will find that with that change in the educational grant the smaller municipalities will have no difficulty in the future in selling their debentures at a very reasonable rate.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, may I suggest in winding up the debate on second reading of this Bill that, as the hon. Minister of Municipal Affairs (Mr. Dunbar) has said, this bill has been limited to water works, sewers, incinerators and sewage disposal for the reason that we were primarily interested in enormous problems that are arising out of the pollution of the streams of this province. Now, I know the hon. members of this House will readily see that in Ontario we are faced with a very great expansion from time to time. We are, at the present time,

engaged in a great expansion and I want to say this concerning our capacity to borrow, because such is not the case but this is one case which I think requires all of the credit of the province and we have been anxious +

not so spread ourselves out too thin inthat regard, to become engaged in all of the ramifications of municipal financing. These mightaffect our pal provincial credit and therefore we have been anxious not to do anything of that sort,but to retain our credit at its present high standard because, with the expansionof hydro, our subsidiary commissions, our own road programs and other things, we are going to require to keep our credit, in the expression used in the bedget a year or two ago, "Bright and shiny," and that is what we want. I might say this, that with this $50,000,000, it is a revolving fund which we think should suffice for a considerable time. No doubt, if we acquire debentures we may be able to finance them for ourselves and keep the fund in the form of a revolving fund. However, I should just like to say this in the termination of this debate and arising out of what some of the hon. members have said and particularly arising out of a visit this morning with the hon. Minister of Lands and Forests (Mr. Scott), fro- one of the great fish and game associations of this province. With the industrialization of Ontario, with the rapid growth of what used to be small urban communities, with centres of population in the valleys of the streams of this province, we find that we are getting a growing contamination and pollution of our streams. Now, I know the hon. Leader of the Opposition (Mr. Jolliffe) was on that very useful committee, the conservation committee and no doubt the committee ran across that problem far and wide across Ontario

and we are hopeful of checking it. When you look over the history of Ontario, it is too bad this was not done 75 years ago, but, on the other hand, we have been faced in these days with a very rapid growth. I think it has been said that in the Grand River Valley there is now in the neighbourhood of 400,000 population in that small river valley, with all of the incidental contamination, municipal, industrial and other types of contamination and pollution of that stream. We are anxious to start cleaning up that situation in 1950.

It is not going to be something of short duration, it is going to be a problem and the cure for that problem is going to extend over many years, but if we can assist municipalities to instal water work systems and encourage them to build sewage and sewage disposal systems, incinerators and that sort of thing, we tender to lower that pollution, which has grown, I think, to alarming proportions here in the Province of Ontario today. I can say to the hon. members of this House that that was the real genesis of this Act, to take a substantial step in assisting municipalities to take care of this problem.

One of the hon. members opposite mentioned, that in his municipality there was no difficulty in financing. That is quite true. The problem, however, arises in connection with small places that really have excelent credit but are unknown to the laaning market and some little place goes with perhaps no debenture at all to the loaning markets and being unknown, that fact reflects on the rate of interest that is charged. Under this Act we hope to enable these small municipalities to get money cheaply, to encourage them to get money cheaply and at the same time the ratification of that interest rate will have its effect on all interest rates. We are inclined to think that there is a stabilizing influence there which will reflect itself into other munici-

pal operations. May I say, Mr. Speaker, that the position of our municipalities is very, very excellent. Over the last fifteen years our municipalities have show a reduction in debt from something in the neighborhood of $500,000,000 down to something around $200,000,000. That is a very, very good record indeed. I think this Act will tend to draw the attention of people to the great stability and soundness of our municipal institutions and will tend to lower rates of interest and give them rates of interest which they are justified in getting.

Now, Mr. Speaker, that is the purpose of this Act and I might say that behind it all is our desire, not only our desire but our positive intention to meet the conditions relating to our rivers, streams and lakes in this province. Perhaps, Mr. Speaker, it is a little out of order for me to say this at this particular time, but in relation to pollution, we have taken positive steps to try and correct the situation which exists in the Great Lakes, complicated as it is by the divided jurisdictions in Canada and by the international aspect of things but we are making progress and we intend to do everything within our power to clear that up. I think it is only fair to say that if we are going to clear up that situation, we have to take steps to clear up the situation which arises from pollution which comes by way of streams into these great waters.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, just one point I think should be cleared up a little more fully now. Now, we are discussing the principle of the Bill and I think that everyone in the House agrees with the purposes of the Bill and welcomes it. However, I am wondering whether the corporation that will be set up will not become another unnecessary controlling power over the small municipalities.

The Act before us does not oblige the corporation that is to be created to purchase such debentures from the municipalities, They "may" purchase them. They are, however, restricted not to purchase debentures unless previously approved by the Municipal Board. What assurances can be given hon. members of this House that before they approve of building of this character, that this corporation will not further interfere with the municipalities. I do not want, Mr. Speaker, to dig up past events, but I am sure it is still fresh in the minds of every hon. member that a little while back when the epidemic broke out in Mattawa, the impressions left by the newspapers were that the interference of provincial government departments prevented them from--

HON. LESLIE M. FROST (Prime Minister): There was nothing to it.

MR. SALSBERG: From checking the disposal system. I am not prepared to say whether or not that was the case.

HON. LESLIE M. FROST (Prime Minister): It was not.

MR. SALSBERG: The hon. Prime Minister (Mr. Frost) says it was not the case. However, I mention it only by way of illustrating to the hon. members of the House the problems that municipalities have when they attempt toproceed with matters of that character and I would welcome a statement from the hon. Minister who is piloting this Bill through the House as to whether this corporation will have or will not have powers to prevent the municipalities from proceeding with works of this character, even if the Municipal Board will have approved of them.

HON. G. H. DUNBAR (Minister of Municipal Affairs): The hon. member (Mr. Salsberg) would surely not say that our hon. Provincial Treasurer (Mr. Frost) would ever prevent the corporation from purchasing debentures from any municipality

that the Municipal Board had passed on. I just want to say one thing with regard to Mattawa, you read the records, you know our Department wrote to Mattawa and asked them if there was anything we could help them with. "We will go down to Ottawa if you have any difficulties," and we had no answer to that. Months before the epidemic, we wanted to know if there was anything we could do to help them, but we received no reply. Did you notice what happened in Mattawa on the 1st of January?

MR. SALSBERG: I was not there.

MR. DUNBAR: Three men ran for Mayor and the man who started that purposely in Mattawa just for politics, was snowed under, so it looks as though the people of Mattawa thought the Ontario Government treated them fairly.

MR. SALSBERG: The hon. Minister (Mr. Dunbar) did not give the reply I think he should give. With all due respect, would he state whether or not the corporation will have power to refuse to purchase debentures from a municipality even if the works will have been approved by the Municipal Board? Now, of course, nobody will suspect the present hon. Minister (Mr. Dunbar) and the present hon. Treasurer (Mr. Frost) of political motivation in this House. Some people may outside of this House, and after all, how do I know who our hon. Treasurer will be tomorrow after the announcement will have been made? I do not think the hon. Minister of Municipal Affairs (Mr. Dunbar) can announce to the House now who the hon. Provincial Treasurer will be tomorrow. I think an answer more to the point would be welcome.

MR. DUNBAR: Do not cross the bridge before you come to it.

MR. SALSBERG: No answer.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 7.

APPEALS TO HIS MAJESTY IN HIS PRIVY COUNCIL

CLERK OF THE HOUSE: Seventh order, second reading of Bill No. 36, "An Act respecting Appeals to His Majesty in His Privy Council," Mr. Porter.

HON. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move second reading of Bill number 36, "An Act respecting Appeals to His Majesty in His Privy Council."

MR. H. C. NIXON (Brant): Mr. Speaker, is the hon. Minister (Mr. Porter) going to say something?

MR. PORTER: Mr. Speaker, this Bill is complementary to the Act passed at the last Session of the Parliament of Canada which abolished appeals to the Privy Council which preserved theright of litigation of appeals already in process. There are certain Acts and sections of Acts which are part of the law of Ontario which in one way or another refer to appeals to the Privy Council and one of them is the Privy Council Appeals Act which by this legislation is repealed.. Subsection 3 of Section 19 of the Judicature Act is repealed; subsections 6 and 7 of Section 103 of the Ontario Municipal Board Act are repealed and it is provided under paragraph 5 that any appel to His majesty and His Privy Council that is permitted under the law of Canada will be taken as if this Act had not been passed and for the purpose of any such appeal the provisions repealed by this Act shall remain in force.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 8.

THE COMMORIENTES ACT, 1940

CLERK OF THE HOUSE: Eighth order, second reading of

Bill number 37, "An Act to amend the Commorientes Act, 1940," Mr. Porter.

HON. DANA PORTER (Attorney-General): Mr.Speaker, I move second reading of Bill number 37, "An Act to amend the Commorientes Act, 1940."

This Act, the Commorientes Act, which is amended by this appeal was passed in 1940 for the purposes of determining what happened when two or more persons were killed in one accident and some question might arise as to which of these people died first. The Act as it was originally drawn, passed in 1940, provided that where two or more persons died in circumstances rendering it uncertain which of them survived the other or others, such deaths shall for all purposes affecting the title of property be presumed to have occurred in the order of seniority and, accordingly, the younger shall have deemed to have survived the older. So when that does arise as in any case where a number of people died in one accident or in a common disaster, that is what is implied inthe word "Commorientes," which is a Latin word so I am informed, which is drawn into legislation just to show the hon. members of the House that lawyers are still familiar with that language.

MR. SALSBERG: They should check before they spell it.

MR. PORTER: I am informed that the implication of the word is "dying together," or "common disaster" as it is sometimes more freely referred to. A rather interesting case arose in London during the blitz in the last war. This is a case which went to the House of Lords and the question arose out of an accident which occurred when a bomb was dropped on a house and there were a number of people, there were four people who were in a shelter in the

basement of the house and they were all, at least it was presumed that they all died at the same time. The question arose as to whether this Act, which is also in force in Great Britain, applied to a case of that kind where they all died at exactly the same time, whereas the Act provides where a person died in circumstances rendering it uncertain as to which of them survived the other. It might apply in the case of an accident that there is some uncertainty about who died first, or there is a succession of deaths. There may not be very much time between them, but the whole Act was based on the idea when a number of people died in a common disaster that one of them probably died just a split second before the others, and the question came up in this case because some evidence was put forward which raised the inference, at any rate, that these four people in the bomb shelter, in the air-raid shelter in that basement, destroyed with that very highly destructive bomb, that they must have all died at the same instant. And, therefore, this Act would not apply. The court divided on the subject. It was decided by a majority of the court that the Act did apply on the ground that the evidence did not go far enough to indicate that they all died at once. The presumption was that one of them must have died at least a split second before the other, so the one who was younger in age was presumed to have died last. Now, this is to clarify that to some extent, and to cover a case where two or more persons die at the same time, as well as to cover the case that was covered before where it is uncertain which of several people survived the others, so that the amendment consists of the addition

of words to make that effective. It reads:

> "Where two or more persons die at the same time or in circumstances rendering it uncertain which of them survived the other or others, such deaths shall for all purposes affecting title to property presume to have occurred in the order of seniority, and accordingly, the younger will have been deemed to survive the older."

That is the substance of this Bill.

(Take D-1 follows)

MR. E. B. JOLLIFFE (Leader of Opposition): Mr. Speaker, I am afraid the Bill will not do anything to solve the problem of the hydrogen bomb, or even the "A" bomb, but it seems to be a very necessary amendment to the Act, even though the point may not be raised very frequently. I do not believe this amendment has any effect on any pending litigation.

MR. PORTER: No. I do not know of any litigation, Mr. Speaker, that is pending, which may be affected.

I may add, that this amendment was recommended for enactment by the conference of the Commission on Uniformity of Legislation in Canada, in 1939, and the legislation is already now in force in eight provinces, that is, the original Bill.

The amendment contained in this Bill was recommended by the Uniformity Conference. So this is merely to keep this legislation in line with what the Commission on Uniformity hopes and expects will be done throughout the country to solve the uncertainty that arose under the Act as it now reads.

MR. JOLLIFFE: Has the parliament of the United Kingdom taken similar steps?

MR. PORTER: I cannot answer that question. I do not know that, offhand. I understand the answer is "No".

MR. F. O. ROBINSON (Port Arthur): There is one interesting point which has come to my mind. How will they decide if twins died in the same accident?

MR. PORTER: That would raise another case in the House of Lords, or, in this country, in the Supreme Court of Canada.

MR. JOLLIFFE: I may say that that point has been raised, and it has been decided that twins are not born at the same time.

MR. PORTER: I am sure there will be decisions which will define which comes first, and which comes second.

Motion agreed to; second reading of the bill.

HON. LESLIE M. FROST (Prime Minister): Order No. 9

THE CROWN ATTORNEYS' ACT

CLERK OF THE HOUSE: Ninth order, second reading of Bill No. 38, "An Act to Amend the Crown Attorneys' Act", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move second reading of Bill No. 38,"An Act to Amend the Crown Attorneys' Act."

There is very little in this Bill. I explained it on first reading. Clause "C" in the present act authorized the Lieutenang-Governor in Council to make regulations fixing responsibility for the payment of fees to Crown Attorneys in certain cases listed therein, and it is proposed to add also "travelling allowances".

That is the only object of this bill.

Motion agreed to; second reading of the bill.

HON. LESLIE M. FROST:(Prime Minister) Tenth order.

THE LOANN AND TRUST CORPORATIONS ACT

CLERK OF THE HOUSE: Tenth order: second reading of Bill No. 39, "An Act to Amend the Loan and Trust Corporations Act", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move second reading of Bill No. 39, " n Act to Amend the Loan and Trust Corporations Act".

Mr. Speaker, under the statutes as they now affect loans and trust corporations and investment contracts, there

are two acts at the present time, one, the Loan and Trust Corporations Act, which provides for licensing or registration of companies carrying on loan and trust corporation business. Also there is an Act providing for the registration of a slightly different type of business, known as "investment contracts". There is provision for registration under that.

It apparently occurs in some cases -- perhaps rarely, but in some cases -- that companies incorporated under the Investment Contracts Act wish to do some business which is the sort of business that is allotted to loans and trust corporations, and it is provided by this Bill that in those cases it will not be necessary to have a duplicate registration, that the loan corporation is now defined to mean:

> "loan corporation" means every incorporated company, association or society, constituted, authorized or operated for the purpose of lending money on the security of real estate, or for that and any other purpose, but does not include a chartered bank, an insurance corporation, a loaning land corporation, a trust company, or an investment company registered under The Investment Contracts Act, 1948."

That is one of the exceptions which is proposed to be included in that section.

Motion agreed to: second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Eleventh order.

THE PARTNERSHIP REGISTRATION ACT

CLERK OF THE HOUSE: Eleventh order, second reading of Bill No. 40, "An Act to Amend the Partnership Registration Act",

Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move second reading of Bill No. 40, "An Act to Amend the Partnership Registration Act".

Mr. Speaker, this involves no change of principle in the declaration of partnership which is required. It is an improvement in the drafting of the present Act. The reason for introducing it at this stage is that there is a revision of the Statutes under way, and it has been pointed out that some lawyers have questioned some of the wording in the old Act, and a suggested improvement of the drafting has been proposed, and we considered it advisable to revise the drafting of this Act prior to the revision, so that the revision of the Statutes will be as perfect as possible.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I will call Order No. 12.

THE AGRICULTURAL ASSOCIATIONS ACT

CLERK OF THE HOUSE: Twelfth order, second reading of Bill No. 41, "An Act to Amend the Agricultural Associations Act", Mr. Kennedy.

MR. FROST: Mr. Speaker, in the absence of Mr. Kennedy (Minister of Agriculture) I beg to move second reading of Bill No. 41, "An Act to Amend the Agricultural Associations Act".

Mr. Speaker, the hon. Minister of Agriculture (Mr. Kennedy) is not in his seat. He asked me to move second reading of this bill, which is a very simple matter. Perhaps the House would permit at this time the Bill going to Committee, where it may be discussed. If any of the hon. members have

any objection to that, I will be glad to hold out the Bill and not move second reading.

The samp explanation applies to orders No. 16 and 17.

If any of the hon. members want an explanation of those bills, I will hold them out until the hon. Minister of Agriculture (Mr. Kennedy) is here, Perhaps any questions which the hon. members may wish to ask may be asked when the matter comes up in Committee. I think, as a matter of fact, they are all going to the Committee on Agriculture, in any event.

If that is satisfactory, Mr. Speaker, I will move second reading of Bill No. 41, "An Act to Amend the Agricultural Associations Act".

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order No. 16.

STALLIONS ACT

CLERK OF THE HOUSE: Sixteenth Order, second reading of Bill No. 45, "The Stallions Act, 1950", Mr. Kennedy.

MR. FROST: Mr. Speaker, in the absence of Mr. Kennedy (Minister of Agriculture) I beg to move second reading of Bill No. 45, "The Stallions Act, 1950".

This will go to the Agricultural Committee, but if there are any objections today, I will hold it over.

MR. E. B. JOLLIFFE (Leadder of the Opposition): Would you like to explain it?

MR. FROST: Do you think I could?

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Seventeenth Order.

THE WEED CONTROL ACT

CLERK OF THE HOUSE: Seventeenth Order, second reading of Bill No. 46, "The Weed Control Act, 1950", Mr. Kennedy.

MR. W. J. GRUMMETT (Cochrane, South): That has not been printed, Mr. Speaker.

MR. FROST: In the absence of Mr. Kennedy (Minister of Agriculture), Mr. Speaker, I beg to move second reading of Bill No. 46, "The Weed Control Act, 1950".

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, would the hon. Prime Minister (Mr. Frost) allow that to stand not for any particular reason, but I do want to ask the hon. Minister (Mr. Kennedy) some questions about it, personally.

MR. FROST: That is quite all right. I will withdraw the motion.

Nineteenth Order.

THE SURVEYS ACT

CLERK OF THE HOUSE: Nineteenth Order, second reading of Bill No. 48, "An Act to Amend the Surveys Act", Mr. Scott (Peterboro).

HON. H. R. Scott (Minister of Lands and Forests): Mr. Speaker, I beg to move second reading of Bill No. 48, "An Act to Amend the Surveys Act".

Mr. Speaker, I think the explanatory notes are very clear on that.

Sub-section 1 of the Act sets out how the side lines between township lots shall be governed in a township where they are laid out in sections.

Then, sub-section 2, gives certain exceptions of townships which were laid out based on astronomical courses which

were taken from the original field notes surveys. These three townships should have been included in that list of exceptions in the first place, but, we omitted to do so, and it is now proposed to include them in such a list.

MR. CAMPBELL CALDER (London): Is there any assurance by the hon. Minister (Mr. Scott) that there is no litigation pending with regard to this Bill, or the previous Bill, No. 48.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Twentieth Order.

WESTERLY LIMITS OF HINCKS LOCATION

CLERK OF THE HOUSE: Twentieth Order, second reading of Bill No. 49, "An Act respecting the Westerly Limits of Hincks Location in the Township of Johnson", Mr. Scott(Peterboro).

HON. M. R. SCOTT (Minister of Lands and Forests) : Mr. Speaker, I move second reading of Bill No. 49, an Act respecirg the Westerly Limits of Hincks Location in the Township of Johnson"

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I am just wondering if this is not the sort of Bill-- and perhaps also the previous one -- which should go to the Legal Bills Committee, or does the hon. Minister (Mr. Scott) think there is not sufficient difficulty to justify that?

MR. SCOTT (Peterboro): I really would not think so. The problem really came up in this way. The first survey was made in 1847, setting the easterly, southerly, and northerly boundaries of the lot, but not designating the westerly limit of the lot.

Then, in 1867, if I am not mistaken, a survey was made of the lot to the west, which established the easterly

boundary of that lot, and when the field notes were looked through, it was found it overlapped on the second boundary which had been established by a later survey. This is to clear up the confusion where some subdivisions are taking place, and we have the two overlapping descriptions. It is just to clear that up.

MR. JOLLIFFE: I understand that, and no doubt it is perfectly in order, but do I take it that the hon. Ministers's statement (Mr. Scott) with reference to the other Bill, and the point raised by the hon. member for London (Mr. Calder) also applies to this Bill, namely that there is no pending litigation, and, secondly, do all the interested settlers or property owners know that this is being done.

MR. SCOTT (Peterboro): As regards pending litigation; there is none. There are two possible owners in the south end who may have to compensated. Outside of that, everything is satisfactory.

MR. JOLLIFFE: Have they had notice of this Bill?

MR. SCOTT (Peterboro): Frankly, I am not in a position to say.

MR. JOLLIFFE: I think that is something we should find out in or before we reach the committee stage. The people up there live in an area where they may not have the same opportunities to receive notices, as we have down here, and probably that could be found out in the meantime.

MR. SCOTT (Peterboro): I will be prepared to defer second reading until I get that information, or have it come up in Committee. I will have it cleared for you there.

Motion agreed to: second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, that

covers all the Bills we can proceed with today. I do not think there is anything else that is printed.

So, in moving the adjournment of the House, Mr. Speaker, may I say that tomorrow we will proceed with the mover and seconder in the Throne Debate, after which the adjournment will be moved by the hon. Leader of the Opposition (Mr. Jolliffe) and we will not call that order again, on his request, until Thursday, but will proceed on Wednesday, with the ordinary business of the House.

The hon. Leader of the Opposition (Mr. Jolliffe) does not find it convenient to proceed on Wednesday, so we will go ahead on Thursday with the Throne Debate.

I may say to the hon. Members of the House that it may be necessary on Wednesday to call the House at 2:00 o'clock instead of 3:00 o'clock. We will know definitely tomorrow. I mention that now, because some of the hon. Members may desire to make arrangements which would have to be altered later if we just made the the motion tomorrow at the usual time.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to: the House adjourned at 4:47 o'clock, p.m.

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F I R S T E R R A T A.

Toronto, Ontario.

Tuesday, February 21, 1950.

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Volume 2; page 28; line 23.

After "investment of the", add the words "government's marginal dollar."

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Volume 2: Page 41: last line:

Change "(Mr. Blackwell)" to "(Mr. Porter)".

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Volume 3: Page C-4; Line 2:

After "capacity to borrow", delete all words down to "I think requires" and substitute therefor: "that such being the case, we will require"

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VOLUME 4.

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-FIRST DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK P.M.

Toronto, Ontario,
Tuesday, February 21st, 1950,
3.00 o'clock p.m.

And the House having met.

Prayers.

MR. SPEAKER: Presenting Petitions.

Reading and receiving petitions.

CLERK ASSISTANT: The following Petition was read and received:-

Of the Corporation of the Township of Sandwich West, praying that an Act may pass raising the minimum tax on any parcel of vacant property in the said Township, to the sum of $3.00.

MR. SPEAKER: Presenting Reports by Committees.

Motions.

Introduction of Bills.

HOUSING DEVELOPMENT ACT

HON. WM. GRIESINGER (Minister of Planning and Development): Mr. Speaker, I move, seconded by Mr. Welsh, that leave be given to introduce a Bill intituled, "An Act to Amend the Housing Development Act, 1948", and that the

same be now read the first time.

MR. R. THORNBERRY (Hamilton, Centre): Would the hon. Minister (Mr. Griesinger) say a few words?

MR. GRIESINGER: Yes. Mr. Speaker, this Bill confirms a previous public announcement and complements the recent amendment to the National Housing Act which has dominion and provincial authorities joining in acquisition of land for housing authorities and for building of houses for rent in large projects, and losses will be established 75% federally and 25% provincially. I will have a complete explanation for you at the second reading of the Bill.

Motion agreed to; first reading of the Bill.

PUBLIC OFFICES FEES ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I move, seconded by Mr. Dunbar (Minister of Municipal Affairs) that leave be given to introduce a Bill intituled, "An Act to Amend the Public Offices Fees Act", and that the same be now read the first time.

MR. R. SCOTT (Beaches): Will the hon. Minister explain?

MR. PORTER: Mr. Speaker, this Bill covers officers in receipt of fees. There are many crown attorneys who are acting as part-time crown attorneys, whose remuneration is entirely derived from fees, and there are division court clerks and bailiffs whose remuneration comes from fees at the present time. And now, under present legislation they may retain up to four thousand dollars. It is proposed to increase this to six thousand dollars to entitle them to retain up to six thousand dollars of their fees in line with the Act passed at a former Session of the Legislature applicable to tariff.

Motion agreed to; first reading of the Bill.

DESERTED WIVES' AND CHILDREN'S MAINTENANCE ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled "An Act to Amend the Deserted Wives' and Children's Maintenance Act", and that the same be now read the first time.

Mr. Speaker, this Bill amends the present Act which provides that maintenance payments may only be paid weekly. This is, of course, to convenience those men who are not paid weekly and depend upon the nature of the men's employment and arrangements for paying of salary or other remuneration. This Bill, therefore, provides payment may be made at such intervals that may be deemed proper under the circumstances of each case, leaving it for the court to settle that. There is also a clarification provision with reference to the re-hearing of applications.

Motion agreed to; first reading of the Bill.

INSURANCE ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to Amend the Insurance Act", and that the same be now read a first time.

Mr. Speaker, this Bill amends the Insurance Act with respect to the limits for children's insurance. At the present time, no amount can be paid on a policy on the life of a child except within certain limits, beginning at -- if a child dies before reaching the age of one year, I think the present amount

payable is only sixty dollars. This increases from year to year until between the years nine and ten the limit is one thousand dollars. As a result of a conference that was held of insurance officers of the various provinces recently, it was proposed that these certain changes be made in these amounts running from two hundred dollars, four hundred dollars, six hundred dollars, eight hundred dollars, up to one thousand dollars if the child dies after attaining the age of four years and before attaining the age of five years.

In the second place, the second amendment is simply to substitute the name Society of Actuaries. There were two other societiesthat have been dissolved, and the Society of Actuaries replaces those dissolved societies, and therefore the new name should appear in the Act in place of the old ones.

Finally, it is proposed to amend the Act -- this is a section of the Act dealing with fraternal societies -- to give notice of the reduction of any benefits payable under a contract or in the case of an increase of premium, to give notice by registered post instead of by publication in the official paper of the society as the section now provides.

Motion agreed to; first reading of the Bill.

MAGISTRATES ACT

HON. DANA PORTER (Attorney General):

Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to Amend the Magistrates Act", and that the same be now read the first time.

Mr. Speaker, this Bill will provide for two provisions of the Magistrates Act to bring the appointment and super-

annuation of Magistrates into line with the Public Service Act, 1947. At the present time, it is not quite in line and this is to bring that in line with that Act.

Motion agreed to; first reading of the Bill.

SURROGATE COURTS ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An act to amend the Surrogate Courts Act," and that the same be now read the first time.

Mr. Speaker, this Bill provides that the same power will be given to surrogate courts judges as is now given to the county court judges in regard to contempt of court.

It is rather a serious situation where a surrogate court judge has not the power to act in cases of contempt of court and to enforce orders in the usual way.

There is a special provision here with reference to certain conditions that existed in Essex County at one time. As a result of the amalgamation of municipalities there some years ago this section had no effective force, so it is simply being repealed.

In the third place, under the present section, appeals from the surrogate judge go to a judge of the Supreme Court and appeals from his judgment to the Court of Appeal. It is proposed that, generally speaking, there should be a right of appeal direct to the Court of Appeal to eliminate the intervening appeal.

The next amendment refers to publication in the Ontario Gazette in cases of estates where property is left in Ontario by persons dying outside of Ontario. It is considered that this serves no useful purpose and should be repealed.

There is also a re-enactment of another section of the Act with respect to Surrogate Court judges' right to dispense with administrators' bonds. Power will be given under this Bill to reduce bonds as well as to dispense with them.

There is also a provision for filing of certain documents in certain cases.

Motion agreed to; first reading of the Bill.

REAL ESTATE AND BUSINESS BROKERS' ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to Amend the Real Estate and Business Brokers' Act", and that same be now read the first time.

This Bill provides that where a [illegible], licensed real estate broker dies, the executor, if he so desires, may carry on the business until executorship can be dispensed with. That was not provided for previously.

The second amendment removes doubt as to whether or not an auctioneer requires a license under this Act when selling real estate by auction. We do not think there should be two licenses required, and the license under this Act is dispensed with in the case of an auctioneer selling real estate under auction.

Also, there is an amendment which provides that only salaried employees are to be exempt from registration, as was the original intention. Some question has arisen as to whether an employee who was paid on commission required a license, and under the present Act he does not. We propose in such case that he be required to be licensed.

Third, there is an amendment to require brokers to

keep a sales record which shows each particular trade.

Under the present section a broker is required to have one agreement, one document by the two parties in a purchase and sale of land. He is required to give a true copy to each of the parties. It is proposed by this amendment that a broker should give to each party a signed copy so the parties will have original duplicates which will be sufficient evidence of the transaction in case the original cannot be produced.

Motion agreed to; first reading of the Bill.

SCHOOL ATTENDANCE ACT

HON. DANA PORTER (Minister of Education): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled "An Act to Amend the School Attendance Act", and that the same be now read the first time.

This Bill provides in high school districts where, under a high school board or board of education, they include more than one municipality, that it is not necessary to appoint an officer for each municipality. The one officer will be sufficient for the district.

Secondly, this amendment would permit public and separate school boards in townships employing five or more teachers to appoint attendance officers.

Thirdly, this is to assign jurisdiction of officers appointed under the Act; and, finally, it would provide that in view of the fact the provisions under the School Attendance Act contain reference to school censuses, under section 33 of the Assessment Act, having in mind the fact the latter section was re-enacted in 1949, and no longer provides for a school census or reference to school censuses, it is

proposed in this Act to remove that.

MR. C. H. MILLARD (York, West): Mr. Speaker, may I ask the hon. Minister (Mr. Porter) is there anything contained in that Bill regarding school attendance officers granting permits for leaving school before the age of 16?

MR. PORTER: No, none whatever. It is not dealt with in this.

Motion agreed to; first reading of the Bill.

AUXILIARY CLASSES ACT

HON. DANA PORTER (Minister of Education): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled , "An Act to Amend the Auxiliary Classes Act", and that the same be now read a first time.

This Bill amends the Auxiliary Classes Act in three ways. The present Act restricts the power of establishing auxiliary classes to school boards in cities. The amendment extends this power to all school boards. The present Act restricts the scope of auxiliary classes to elementary school courses. The amendment permits establishment of auxiliary classes in secondary school courses as well. The present Act permits oral aid classes for deaf children in districts with a population of sixty thousand. The amendment removes that stipulation.

Motion agreed to; first reading of the Bill.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the Twenty-Third Report of the Liquor Control Board of Ontario for the twelve months ending March 31st, 1949.

I also beg leave to present to the House the Third

Report of the Liquor License Board for the twelve-month period ending March 31st, 1949.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, may I refer back to the Order of Motions? I beg to move this motion which relates to Friday afternoon meetings and closing. I think it is the desire of the House that we should meet at 2.00 o'clock on Friday and close early so that those who want to get away will not be pressed for time.

I beg to move, seconded by Mr. Doucett, that commencing Friday, February 24th, and thereafter on each Friday during the present Session of the Assembly, this House shall meet at two of the clock in the afternoon and that the provisions of Rule No. 2 of the Assembly be suspended so far as they might apply to this motion.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I should also like to make this motion, relative to the sittings of the House tomorrow. We have in the city at the present time a large number of organizations from throughout the province and to convenience certain hon. members of the House I move that the sitting of the House tomorrow commence at two o'clock instead of three o'clock. I explained that yesterday. Tomorrow, in all probability, the sittings of the House will not be very lengthy. We had intended to proceed with the Throne Debate tomorrow, but the hon. Leader of the Opposition (Mr. Jolliffe) thinks that would not be convenient so we have put it over till Thursday.

I move, Mr. Speaker, seconded by Mr. Doucett, that when

this House adjourns its present sitting, that it stand adjourned until two o'clock tomorrow, and that the provisions of Rule No. 2 of the Assembly be suspended so far as they might apply to this motion. That is for tomorrow only.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Order No. 1.

CLERK OF THE HOUSE: First Order, Consideration of the Speech of the Honourable the Lieutenant-Governor at the opening of the Session.

(Page B-1 follows)

MR. H. A. REYHOLDS (Leeds): Mr. Speaker, I beg leave to move, seconded by Mr. Leger (Cochrane North), that a humble address be presented to the Hon. the Lieutenant-Governor as follows:

"To the Hon. Ray Lawson, O.B.E., LL.D., Lieutenant-Governor of the Province of Ontario:

"We, His Majesty's most dutiful and loyal subjects of the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us."

MR. H. A. REYNOLDS (Leeds): Mr. Speaker, I think it fitting that I should make a brief reference to the circumstances attendant on my presence as a member of this assembly for the Riding of Leeds.

I know the hon. members of this House learned with the greatest regret of the sudden and unexpected passing of my predecessor, Walter B. Reynolds, on Saturday, March 12th, 1949. His death was a very great sorrow to me, not alone because his passing marked a break in my family circle, but also because I had been intimately associated with him during the whole of my business career. May I say frankly that his character, his example and his ideals as related to his business and to his public service were always an inspiration to me, and they account in great measure for whatever little degree of success has been my lot.

My late cousin, in one capacity or another, was identified with the public life of his community from

1905, when he was elected to the local school board, until the time of his death last year.

From 1937, he served as a member of this honourable body. He served as Deputy Speaker and as Chairman of the Committee of the Whole House. His career here is known to all of you, and judging from the many kindly expressions of opinion which I have heard from all sides, I believe he is missed here as he is missed amongst the people of the community that knew him best. Were it not for my relationship and intimate business association with the late member for Leeds, I should speak in more detail respecting his career. This, however, I think I should leave to my colleagues, all of whom enjoyed his acquaintance, and who, I am sure, miss his genial and capable presence in this Assembly.

It is also my sad duty to express my regret at the untimely death of John Carrere, a gallant young Canadian who was elected to represent the great northern riding of Cochrane North. Mr. Carrere, elected in the general election of 1948, had survived the perils of active service in the air war over Europe only to meet his death through accident a few miles from his home. I did not enjoy the pleasure of Mr. Carrere's acquaintance. I know, however, he had a brilliant military career, and had he been spared to take his seat, I am sure his voice would have been heard and heeded in the debates of this House. I know the hon. member for Cochrane North (Mr. Leger), Mr. Carrere's personal friend and successor, will wish to pay tribute, as doubtless will others.

The hon. members of this House will join with me in expressing to the hon. the Minister of Health (Mr. Kelley) our hope that he may enjoy an early and happy recovery from his present serious illness. After years of an active and successful business career, the hon. the Minister of Health (Mr. Kelley), no longer a young man, gave himself unsparingly to his duties as head of one of the most important departments of the government. We all know him for his genial and kindly disposition. We have admired the zeal he has always displayed in the interests of a long list of community activities. His long-standing advocacy of the development of our smaller centres as opposed to undue concentration of commerce and industry in the big cities has won for him a post as the informal ambassador of the small town. Throughout Ontario as well as in his home community he has won a reputation as an able and sincere advocate of every deserving cause. We all, I am sure, hope the hon. Minister (Mr. Kelley) may again in the fulness of time be able to resume his official duties and to make his valued contributions to the debates in this Assembly.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: Since a Progressive Conservative government assumed office in 1943, the hand of death has five times struck the membership of this Assembly. In each instance a member of the Government ranks was removed from our midst. In two instances those who passed on were, by some strange irony of fate, young men, just on the threshold of their public careers. In every case

the colleague lost to us was a man highly esteemed in his own community and amongst the membership of this Assembly.

In each instance the people of the ridings losing their representatives were given a prompt opportunity of choosing successors by the calling of the necessary by-election. This, I might interject, was not the practice followed by a former Administration, when vacancies were left unfilled for months and even for years.

By-elections give the opportunity for testing public opinion. Any democratic Administration, I think, is not justified in withholding the opportunity for such a test. It is in accord with British parliamentary practice, and I think we agree we cannot go far astray if we look to the mother of parliaments in this as in many other matters of electoral and parliamentary procedure.

In each of the five by-elections to which I have made reference, a supporter of this Progressive Conservative administration has been elected to the membership of this Assembly. In each and every one of these by-elections, held promptly, and fought, so far as we are concerned, on the record of this Administration, the government received the stamp of approval from the electorate.

Not one of these ridings could be catalogued as a so-called "safe seat" for any party. Over the years members of various parties had been honoured with election. But all these ridings had one thing in common. Their voting strength consisted of sane, straight-thinking electors who appreciated the fact that

this Administration is doing a good job for Ontario.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: Yes, and for Canada. I am a believer in getting the issues fairly and squarely before the people, and when the people get the facts before them, I have usually found their judgment is not far astray.

In my own campaign of last October, our friends opposite sent down an impressive delegation from their ranks. They were joined on the hustings by a whole battalion of Liberal members of the House of Commons, from Halifax to Vancouver. I never realized a provincial by-election could be a matter of such interest to members of the Dominion Parliament, and more especially members from other provinces, who probably know little and care less about local government in Ontario. However, there they were, and the people of Leeds gave them their answer.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: My opponent, who is also my good friend and neighbor, not only had the support of my hon. friends of the Liberal Party opposite. He also had the support afforded by a few million words of free publicity supplied by a Toronto daily newspaper, which for the duration of the campaign was sent free, gratis and fornothing to every household in the riding.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: However, the voters of Leeds Riding were apparently not impressed by all the sound and fury. They were quite capable of recognizing good government when they saw it --

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: -- and they accordingly gave me a majority which I think I can view with pride. I say this, because our victory was more than a party victory. I am deeply grateful for the support and the efforts of my own party. I am also grateful to members of other parties who joined us in giving a warm endorsation for the type of government we are getting in Ontario today.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: And please let me say here and now, so long as I am a member of this House I am going to work for the welfare of this Province rather than to be a blind partisan.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: I consider myself a representative of all the people of my constituency, and what I can accomplish will be done cheerfully to aid all of them in meeting and solving their problems.

There is no man in the public life of Canada today who has a higher ideal of public service than has the hon. Prime Minister of Ontario (Mr. Frost).

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: In the Leeds by-election of October 31st last, he received a renewed mandate from a representative section of Ontario. In our campaign we stuck to the issues and to the record of this Administration. The people rendered their judgment, and I believe the hon. Prime Minister (Mr. Frost) and members of the Administration will accordingly be heartened and encouraged in their work of giving good government to the Province of Ontario.

I should like to say a special word of commendation to the Government for the energy they have displayed in their plans to ensure Ontario an abundant supply of electric power, looking not alone to the present but also to the future. May I first congratulate all the power users of Ontario for their co-operation in economy measures which have enabled us to weather a power shortage that otherwise would have caused a most acute dislocation in our economy.

The plain, well-reasoned explanations in relation to conditions as set forth by the Hydro Chairman and by members of the Administration brought a ready response from the whole multitude of Hydro customers.

It is not my intention to reiterate the difficulty, indeed the impossibility that would have attended a normal expansion of Hydro facilities during six years of war, and indeed in the immediate postwar period. You are as familiar as I am with the most acute shortages of both men and material. More than this, huge hydro developments cannot be accomplished in a day or even in a year. But the fact remains, at this time for most of Ontario acute hydro shortages are a thing of the past. By next year it is obvious that as new developments come into production we shall have safely passed the danger of further crisis.

In dealing briefly with the subject of Hydro, I should like to draw the attention of my hon. friends opposite to their views on the subject of power development as expressed in a letter by the then head of the Government, Mr. Hepburn, dated August 19, 1938 and addressed to the then Prime Minister, the Rt. Hon. Mackenzie King. The letter may

be found in a pamphlet issued by the federal government and entitled, "Correspondence and Documents relating to the Great Lakes-St. Lawrence Basin Development." Amongst other things, Mr. Hepburn said:

> "Insofar as power requirements are concerned, the fact is well known to you that Ontario has an ample supply for many years to come -- indeed a huge surplus -- for which it must pay and receive new development. This unsatisfactory condition would not obtain at this moment had you granted us, when you had the opportunity, the right to export this surplus at a profit which would have enabled us in turn to grant a further reduction in rates to the power consumers of Ontario. It is the responsibility of this administration and not yours to provide the necessary power for our present and future requirements and in this respect we are fully cognizant of our responsibility."

This seems plain enough. "Ontario has a huge surplus of power", declared Mr. Hepburn. It was the business of his Government and of no one else to provide electric power.

Mr. Hepburn was, of course, discussing the whole problem of St. Lawrence development as well as the power question, but in scuttling the whole project, and to make sure the Rt. Hon. Mr. King understood him, he closed with the following sentence couched in his usual language of diplomacy:

"Irrespective of any propaganda or squeeze play that might be concocted by you, you may rest assured that this Government willresist any effort to force us to expend public funds in such an unwarranted manner or to foist upon the people of Ontario an additional burden of debt and taxation."

Apparently this was the view of the power problem, held by the then Premier and by his Cabinet Colleagues, some of whom are still members of this Assembly. I know well enough in his final and futile attempt to regain public and party favour, Mr. Hepburn finally renounced his opposition to the St. Lawrence seaway. Nevertheless, how can my friends of the Liberal Opposition escape blame for such short-sightedness just eleven years ago? It simply cannot be done.

Let us scan the picture today?. Since this Administration took office in 1943, an extension at DeCew Falls producing 70,000 horsepower has come into production. In the far northwestern part of the Province the new Ear Falls development is producing 8,000 horsepower. The Stewartville plant in eastern Ontario was opened in September, 1948, and is developing 81,000 horsepower. Then we come to the Aguasabon development in the North, now producing 53,000 horsepower. Here we have an addition of 212,000 horsepower since this government took office. At the moment we are getting some additional power from Niagara sources during the period when the Welland Canal is closed -- the winter period when needs are heaviest.

On the Ottawa River the Des Joachims plant will produce 480,000 horsepower, of which one half, or 240,000 horsepower will be available this year. In 1951, this plant will produce a further 240,000 horsepower. The Cheneaux plant will be producing 160,000 horsepower in 1951, while it is expected the LaCave development will give us another 180,000 horsepower by 1952. Then we have under construction the Pine Portage development, the Tunnel Site near Thessalon, and the Windsor and Toronto Steam plants. Altogether, Hydro, under this Administration is bringing or has brought into production more than a million and a half new horsepower.

The present Government took over in August, 1943, in which year 21 miles -- just 21 miles of new rural lines was built. Since that time approximately 12,500 miles of new rural line has been constructed, to serve nearly 127,000 new rural consumers. It would be fair to say that probably an additional 600,000 people out of our population of 4,500,000 have been enabled to enjoy the benefits of rural Hydro, thanks to the Hydro program initiated under this Government. In 1949, alone, some 5,300 miles of new rural lines were built to serve more than 42,000 new rural consumers. Compare this with the 21 miles of new rural line initiated in 1943 by the former Government to serve 2,005 new consumers.

True, there have been shortages. Likewise, there have been shortages of everything else. But power shortages, thanks to a more abundant water supply, and thanks to the energy, foresight and driving force of the Hydro management,

are rapidly becoming a thing of the past.

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: In that part of the Province which I represent more than a million horsepower is going to waste. I refer to the St. Lawrence development. Ontario needs and wants this development. The same goes for New York State. I am satisfied our federal government favours early development. Unfortunately, we are not free agents as to this project. It is necessary to get the co-operation of Washington, and unhappily, we are hamstrung by the local and sectional jealousies of individual States and scores of local and sectional interests in the United States. We need the seaway. Even more, we need the power development.

The hon. Prime Minister (Mr. Frost), speaking at Niagara Falls in January last, made the most sensible and forthright address on Dominion-Provincial relations which has ever come to my attention. In a word he argued that all our problems of jurisdiction could be amicably settled by sensible men getting around the conference table and tackling mutual problems in a spirit of mutual goodwill.

I suggest the St. Lawrence problem has been kicked around too long. If agreement on the waterway cannot be reached, then the same difficulties do not obtain in relation to power development. I believe, failing other solution, Ontario and New York are big enough and strong enough and sensible enough to force a solution, regardless of sectional objections based on local considerations. In

the long run, I think what is good for New York and Ontario is good for the United States of America and for Canada.

Eastern Ontario is bound to benefit from the Ottawa River developments, but Eastern Ontario, to acquire full stature, needs the St. Lawrence development. In our part of the Province we have abundant resources. We have excellent transportation. We have a sound, clear-thinking, skilled and industrious people. We have plenty of room in which to grow. With the Ottawa developments, and with the St. Lawrence development for the future, we will be close to sources of cheap and ample power.

I see no reason then, why Eastern Ontario should not in the foreseeable future, accomplish an era of industrial development similar to that of say, the Niagara and Windsor areas. In fact, with all due respect to the accomplishments of the Toronto area, I suggest it would help some of these current Toronto area problems, should there be a transfer of a considerable share of industrial activity to Eastern Ontario, --

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: -- where, for a long time, there could be no possibility of the congestion which is such a headache in this great metropolitan district. In fact I will cheerfully go along with the Hon. the Minister of Health (Mr. Kelley) in his crusade for building up our smaller centres, as against adding to the problems incident to the painful, perhaps and unhealthy growth of our metropolitan centres.

Turning for a moment to the field of education, the changes which have been made can stand some repetition. When the present Government took office, about twelve million dollars a year represented the provincial outlay on education. Today, the Ontario Treasury contributes nearly fifty million dollars a year for the same purpose. What are the general results?

First, we are getting some of the finest school buildings on this continent. The children from the country and the small towns are receiving their training in school buildings as good or better than those serving our larger centres. In my own riding, in Gananoque, we have a new High School which would be a credit to any community.

Second, we are getting a large part of the tax load off the backs of home and farm owners. Real estate can no longer bear the brunt of taxation which was the case in former days. The adjustment -- the redistribution of the tax load -- brought about by this Government -- has tended to take the penalty out of farm and home ownership. Without provincial aid on the scale of today, and especially in relation to education and to highways, and again in the field of health and hospitals, -- coupled with the demand for public services -- the farmer and the small home owner would have been taxed just about out of existence.

The riding I represent is a typical Ontario riding. We have two sizeable centres of population, a number of smaller centres, and a big farming area second to none in the Province. Back in 1944, under the old scale of

education grants, our Leeds municipalities received less than $85,000.from the provincial treasury to help meet education costs. Today, they receive nearly $400,000. a year. In Brockville, this means a fourteen mill saving on the tax rate. No single measure, I contend, means more to the farmer and to the home owner than this huge re-distribution measure relating to education costs.

Home ownership is one of the very foundation stones of our structure. Any sound step taken to promote home ownership and farm ownership is a step in the right direction. The farmer and the home owner have roots in the community; they enjoy pride of possession; and while it will take time to attain anything approaching the ideal in this connection, yet this ideal can be brought appreciably nearer when home and farm ownership cease to imply a crushing load of real estate taxation.

As the Rt. Hon. the Prime Minister of Canada (Mr. St. Laurent) suggested the other day, and without attempting to recall his exact words, it is the duty of government to help create a good economic climate, and certainly the realistic approach of this Government to the problems of education is an important step toward this goal.

In the important department of Highways, we find a similar realistic approach to the problems of the day. No member of the Administration, I think, has a clearer understanding of the problems of his department than has our hon. friend, the hon. Minister of Public Works and Highways (Mr. Doucett).

SOME hon. MEMBERS: Hear, hear.

MR. REYNOLDS: He has accomplished some great things for this Province.

In my part of the country we have seen completed the paving of 27 miles on the Scenic Highway. This highway not only gives access to the Thousand Islands Bridge, it affords an alternative route to No. 2 Highway between Gananoque and Brockville. It opens up not alone to the tourists, but also to our own people one of the most impressive scenic routes in Ontario. Ultimately, I have no doubt the second lane on this important route will be surfaced. We shall welcome that time, but we sincerely appreciate the practical improvements which have been accomplished.

Today we can drive through Leeds Riding -- we can drive throughout Ontario, -- and we find on every hand a constantly enlarged and improved highways system. We find the arrears of maintenance, a result of the war years, cleaned up, and a vigorous program of improvement and new construction well under way.

There remains much to be done. I am glad to hear discussions relative to the completion of a dual highway all the way from Windsor to Montreal. As the Trans-Canada project develops, I have no doubt we shall see a modernization of Highway No. 17 east from Ottawa. Here in the central area there has been a gratifying amount of progress on the new dual highway from Toronto to Barrie to relieve the load on No. 11, which is no longer adequate to bear the heavy summer traffic.

The man on the back concession has not been forgotten in the matter of roads. Back in 1943, under another

Government, provincial aid was granted to only about 450 municipalities. It amounted to about three and a half million dollars a year. Today, with cities, towns and villages added to the list of units entitled to receive provincial subsidies, we have some 1,300 municipal bodies receiving provincial aid which now amounts to twenty million dollars a year instead of three and a half million dollars a year as formerly. Again, under legislation enacted by this government development roads have been constructed and are now serving municipalities which otherwise would have been left in a state of comparative isolation.

Our highways are dotted with small parks and picnic tables, two features that each summer are becoming ever more popular with tourists and with our own people. There is and always will be a demand for more roads and for better roads -- but contrast our highway and road facilities with those of other parts of Canada -- and I think you will agree we have the finest road network in the Dominion.

I shall mention only one item in relation to the Department of Public Works, namely the immense asset being created in Eastern Ontario by the construction of the new mental hospital at Smith's Falls.

I think I should say a word about the background as related to this new and needed institution, now well on the way to completion.

Heretofore, the only mental hospital in Ontario for the care of the mentally defective as distinct from the insane, was at Orillia. For years this great

hospital has cared for about 2,500 patients. There is always a waiting list of about an equal number.

Back in 1933, the Conservative Government of the day commenced construction of an entirely new hospital for defectives at Smith's Falls. As most of you remember, there was an election in 1934, and a new government took over. Now with the Orillia Hospital crowded to the roof, with a waiting list of more than 2,000, what did the Liberal Government proceed to do? They stopped construction at Smith's Falls, carted away or sold the material on the job, and finally sold the site. For nine years they did nothing at all to meet an urgent problem, except to build at Orillia a little annex to hold about 60 patients.

When the present Administration took over, one of their first jobs was to build a 300-bed addition at Orillia. They then got on the job at Smith's Falls, acquired a new and even better site -- and today there is nearing completion a completely new and modern hospital which presently will accommodate 1,800 patients. The records of this House amply demonstrate the long-standing need of a hospital of this type. It is just one of many instances where this Government has met an acute, humanitarian problem, and has proceeded to deal with it in the sane and sensible way.

In my home town of Brockville we have an excellent mental hospital that has served a large part of Eastern Ontario for many years. Its management has devolved on a good many distinguished physicians. There is a capable medical, nursing and attendant staff. Many of our solid

citizens, for very modest remuneration, are employed at the Brockville mental hospital, and are devoting lives of service to a humanitarian cause. They are however, working under difficulties, partly because of staff shortages at times, largely because of a chronic condition of overcrowding.

Some time ago the hon. the Minister of Health (Mr. Kelley) announced a plan whereby thirty-five million dollars would be spent on a program to increase mental hospital facilities. I suggest for the consideration of the Government, in surveying needs and in determining where accommodation is most urgently needed, there should be given the most serious th ought to an extension of mental hospital facilities at Brockville. The need is urgent, for as I have said, the present facilities are sadly overcrowded. The administration building and all the service units are in place, the need is additional bed space for patients, and thus unit costs can be kept at a minimum.

There is an old theory that mental hospital population should not exceed 1,200, but this theory is long since in the discard. In many of the American hospitals patient populations run to 5,000 or 6,000, or even more,and I think with proper departmentalization, there is little objection to be urged against larger institutions.

Needless to say, the people of eastern Ontario appreciate the forthright course of the Government in establishing the Smith's Falls hospital. They hope also, that in the whole program to add mental hospital

accommodation, due th ought will be given to the requirements of the East, and to the splendid opportunities for extension of the local institution in which they take a justifiable interest and pride.

May I interject a word of commendation as to the governmental record in the field of general hospitals and sanatoria for consumptives. For the first time in provincial history, the Province now has a definite system of capital grants to aid in the extension of general hospital facilities. These hospitals are quite properly maintaining their own identity as local institutions. It became obvious, however, that local resources could no longer meet the demands for extensions, and for the establishment of new hospitals nor indeed ordinary operating costs. The system of capital grants has enabled us to extend our accommodation at the Brockville General Hospital. In 1949, this hospital received $68,666. from the Ontario Treasury as an aid to building operations.

During the life of this Government we have seen health expenditures mount to more than thirty million dollars a year. The use of mass X-ray is helping to stamp out the plague of tuberculosis. Health units are meeting with the warm support of local municipal authorities. We have one, recently established in Leeds county. It is functioning smoothly and satisfactorily.

Generally, in health matters, the record of this Government is one of steady, sound progress; and I know of no more important department of Government when the welfare of the whole body of our population is taken into consideration.

Two other items are of special interest to Eastern Ontario. I refer to the establishment of a provincial forest nursery at Kemptville and of a fish hatchery at Westport.

We have in the East a tremendous area requiring reforestation, and heretofore we have depended on remote sources of supply for nursery stock for annual planting. Within a year or so the Kemptville forest station will aid us in meeting our requirements nearer home.

The Westport hatchery will likewise give us a local source of fry and fingerlings for restocking the lakes and streams in which Eastern Ontario abounds.

As this session proceeds, I hope I may have the opportunity of saying something about other departments of Government. For the moment I leave that task to my colleagues.

As a newly elected member of this Assembly, I enter these proceedings with, I hope, a due feeling of humility. We belong to different parties. We bring to bear many shades of opinion respecting matters of policy and administration. But we are all citizens of the greatest province of Canada. We have attained a high living standard. We have abundant facilities for education. Not only have we reached an advanced stage of industrial development, but we have a storehouse of natural resources as yet untouched, and full of promise for the future. We have a billion dollar agricultural industry. We have a growing tourist industry with almost no limit on future possibilities.

All hon. members here assembled are conscious of the disturbed conditions, the turmoil of the world of today. A few years ago we were trying to win a war. Now we are trying to win a peace. The "H" bomb and the "A" bomb with their appalling power to destroy men are uppermost in our minds. We are fighting a cold war that impairs our efforts for peace and disrupts our economy in general.

We have great problems to solve. But let us not forget that our forefathers likewise had problems to solve; problems that to them were as great as these modern problems are to us. The brave people of Britain had their problems to solve during the last war. Our Fathers of Confederation had what appeared to them the greatest problem yet to confront the people of Canada.

But, Mr. Speaker, our forefathers faced these problems with determination and fortitude -- and so must we. Let us take heart in the words of the great Roman poet, Virgil, who in his Aenid, Book One, said:

"O passi graviora dabit
Deus his quoque finem."

"O ye who have suffered weightier sorrows
Even unto these the Lord will make an end."

SOME hon. MEMBERS: Hear, hear.

(Take C-1 follows)

MR. MARCEL LEGER (Cochrane North): Mr. Speaker, in rising to second the motion for the adoption of the address by His Honour the Lieutenant-Governor, I am deeply appreciative of the honour which is thus extended to the constituency I represent.

As representative of one of the most northerly ridings of this Province and one that is greatly scattered, the distance from East to West being greater than from Windsor to Toronto, I am certainly proud to say that we, as part of Ontario, are Ontarians to the fullest meaning of the word.

SOME hon. MEMBERS: Hear, hear.

My election as a member of this Assembly was preceded by circumstances which caused me the most profund grief. I refer to the untimely and greatly regretted death of my personal friend and neighbour, John Carrere.

His passing was a tragedy which brought sorrow to a multitude of friends and acquaintances of North Cochrane, and I am sure, to every member of this House. To the parents, in the loss of a brilliant and devoted son, and to all members of the family, I am sure our thoughts turn in sincere sympathy.

Early in World War II, John Carrere joined the French Air Force, and after the fall of France, he made his way through Spain and eventually back to Canada. Then joining the Royal Canadian Air Force, he attained the rank of Flight Lieutenant. He completed 96 operational flights over enemy territory, and incidentally, was navigator of the first Canadian built Lancaster bomber. For his gallant and outstanding services he was awarded

the Distinguished Flying Cross with Bar, receiving these high distinctions at the handsof His Honour, the Lieutenant-Governor on April 9th, 1948.

Our late friend was equally at home in either the English language or the French tongue. He was a graduate of a well-regarded agricultural college, and on the northern farm hewn out by his parents, he had attained a practical knowledge of agriculture.

In the last general election his personal popularity, his aptitude for public service, his ability as an organizer, and his reputation as a soldier and a citizen, contributed to his victory as a supporter of this Administration. He won a notable victory in a riding held over an extended period by our political opponents.

In October 1948, John Carrere suffered injuries in a level crossing accident. In spite of all that could be given by way of medical and nursing attention, he passed to his reward just a few days later.

As I said before, I have lost a good personal friend, North Cochrane riding lost a capable, and indeed a brilliant representative. My hope is that I may, in some little degree, succeed in upholding the principles of my late friend, and in taking up his task of rendering at least some service to the citizens of North Cochrane, and indeed to all our people. I realize to the full I am following in the footsteps of one, who had he lived, would have held high office in his native Province. In following him in my new duties, I shall need the help and forbearance of my constituents and my colleagues in this Assembly.

Mr. Speaker, since the last Session of Parliament there is an event which I know you will let me mention. The hon. Minister of Agriculture (Mr. Kennedy), whose abilities are known well past

the boundaries of this Province, resigned the high honour of Premier to a younger member. At a representative convention of this Province, the present hon. Prime Minister (Mr. Frost) was elected unanimously. May I be allowed to mention here that his first act as Premier was to call the by-election of Cochrane North and the results were an appreciation and a personal victory to the hon. Premier (Mr. Frost), and a victory to the policies of the present Government.

SOME hon. MEMBERS: Hear, hear.

MR. LEGER: My present intention is to review, briefly, only a few phases of the record of this Administration. I am proud and happy to be associated with a Government which has a clean record of honest and efficient administration, and that is imbued with the spirit of progress which is the dominant feature of the political and economic picture in Ontario.

There are in this great Province, and indeed perhaps in this House, some who engage in a mad rush for legislation as the immediate answer to each and every problem. I do not happen to be one of them.

First let me say, the historic party of which I happen to be a member adheres to certain basic principles, a few of which bear repetition.

We believe in free enterprise---the reasonable right of the citizen to conduct his affairs so long as he is mindful of the welfare of his fellow man.

We believe in the dignity of the individual.

In relations with the state, we believe the Government should be the servant of the people, not its master. In other words, we believe in democracy. We do not approve of processes which speed the transfer of our basic freedoms to governments and bureaucracies.

We believe the natural courtesy, kindliness, friendliness and innate decency of the Canadian people are more effective agents of reform than are doubtful legal enactments loaded with elements of compulsion.

We believe that loss of freedom is not usually a speedy process. Dictatorships are more often established by the piece-meal surrender of basic freedoms, a gradual whittling away, until such time as the occasion arises when absolute power is seized by the State.

Now in the light of these principles which perhaps could be much better expressed, but which I think are generally in line with majority opinion in this or any free state, I suggest that this Government has a sound record, both as to legislation and administration. In Education, agriculture, in labour, in lands and forests, and in other fields we have seen progressive legislation coupled with sound administration. This combination, I think, has contributed toward the favourable setting which has aided in making Ontario a happy and prosperous province.

My thoughts, naturally enough, turn to that huge section of our Province known as Northern Ontario. Striking though developments have been, we still have an immense reserve of natural resources of land, timber and minerals.

As a junior member of this Legislature, I am not in a position yet to speak of all legislation passed bythis Parliament in all its phases and spheres, and I would not like to give an opportunity to the hon. members of the opposition to tell me after my first speech that I was speaking of policies with which I was not too familiar.

However, as a former school teacher, and one always concerned with the education of boys and girls who shall be themen and women of tomorrow, and one that feels only through sound and thorough knowledge of the fundamental principles of life we

can attain a higher standard of education, I am happy to say that we have in this Province an educational programme giving to every child irrespective of the financial situation of his parent or guardian, an equal opportunity for advancement. Realizing the financial difficulties of the rural school boards with lesser assessment, the Department of Education is to be commended for the more substantial grants paid to such schools.

Education expenditures fromthe Provincial Treasury are now in the neighbourhood of $50 million a year. In my own riding of Cochrane North, back in 1944 before the new system of grants became operative, our Provincial grants were less than $176,000 a year, but in 1948 they had increased to more than $397,000 a year, an increase of $221,000. In the North our municipalities are by no means wealthy, and I can assure you the educational policies of this Government have mitigated what would otherwise have been an unbearable burden.

Motoring through this province, one can now realize with the greatest pleasure that new schools are built at a standard parallel to the fortunate and wealthy areas. The country pupils are gradually getting their education from qualified teachers in healthy and modern schools, where the very best equipment known is used. I was glad also to learn that experimental classes for pupils of limited mental ability have been organised. Teachers are given a greater opportunity to specialize, and are being remunerated at least partly for the great service they are rendering this country. Also in a partly educational and recreational sphere, this Government has helped tremendously by passing what I would like to mention briefly here, the Community Centres Act. Rinks, playgrounds and community halls, subsidized by the province are a part of the education of every child, and are so closely related that one is dependent on the other. For a year now, hundreds of municipalities in cities, towns, villages and town-

ships have taken advantage of this Act, and the boys and girls who go skating at night under supervision, or who play baseball or other sports, will grow into the type of citizens wanted in a healthy and prosperous country. If the man who allegedly committed suicide in Germany could build up a youth, in less than 20 years, under a false doctrine that terrorized the democracies and caused unnecessary destruction in this last war, I am sure we who are conscious of the social securities and welfare of our people, we who believe in a true democracy, we who are looking forward for a better world to live in, are, with legislation such as I have mentioned, building better boys and girls in the province of Ontario.

SOME hon. MEMBERS: Hear, hear.

MR. LEGER: Thanks to the mining industry in Ontario and Quebec, Canada is the second largest gold producer in the World. We lead the world in the production of nickel. We are in a fair way to becoming an iron producing area of the very greatest importance.

Shortly after taking office, the Progressive Conservative Government appointed the Royal Ontario Mining Commission. Without going into detail, this Commission was given broad powers to inquire into the mining industry, more especially to consider ways and means of stimulating and aiding prospecting. Following the study and report of the Commission, a new Securities Act was adopted, the Provincial Institute of Mining was established at Haileybury, and resident geologists were appointed at various mining centres. Many other measures were adopted, including a program related to mining roads.

During the period 1944 to 1949, a total of 66 field parties carried out geological and geophysical investigations in 36 separate areas in the North.

In 1945, a special committee headed by Dr. G. R. Young made a study of mine hoisting installations and practice, their findings since having been largely implemented by regulations designed to give maximum safety to mine workers.

When the time came for our present hon. Prime Minister (Mr. Frost) to divest himself of part of his burden of departmental duties, he was fortunate in having available the services of the hon. member for Sudbury (Mr. Gemmell) to head the Department of Mines. I am sure my colleagues from northern Ontario are gratified, as I am, that a northern man was available for this important post.

SOME hon. MEMBERS: Hear, hear.

MR. LEGER: There were many grim problems which faced this Administration on taking office. None was more serious than that affecting the Lands and Forests Department. It is to the credit of the Government that no time was lost in getting down to business. Within a week of taking office, seven out of eight agreements made with various pulp companies were subjected to either cancellation or suspension. By this one act 13,729,280 acres of Ontario forest lands was restored to the Crown, to be dealt with in accordance with advanced forestry practice---and sound, legal business policy.

Commencing on December 24th, 1936, just a day before Christmas, the Government of the day---some of the hon. members of the opposition were members of it---commenced to deal out enormous pulpwood concessions. By August 23rd, 1937, when the last agreement was signed, they had alienated 23,798 square miles of pulpwood lands---an area about equalling the whole forest lands of Norway, one of the world's biggest timber producers. They constituted a reversal of the policy which had created Ontario's pulpwood industry, namely the requirement that pulp and timber cut

from the Ontario's Crown lands must be manufactured within provincial borders.

These agreements required the construction of large pulp mills. They were, however, loaded with a joker. Certain clauses permitted the export of huge quantities of Ontario pulpwood---to feed mills already existing inthe U.S.A. and that were short of raw material. Expenditures of $29,500,000 were required to be made on new mills in Ontario. A $2,000,000 logging railroad was to be built up inthe English River area.

In one instance, that of the Pulpwood Supply Company, the Government obligated itself to build dams and a canal to divert Long Lac waters fromthe Hudson Bay watershed into Lake Superior. First, the company was to reimburse the Government for building the canal and dams. Then by a supplementary agreement, the Company's liability was limited to $300,000. Actually, the diversion works cost $1,281,522.23 of public money. The whole story is told in the annual report of the Department of Lands and Forest for 1938, and inthe Journals of the House when the story was dragged out by the Progressive Conservative opposition.

In one instance only was any attempt made to build a mill. The Lake Sulphite Company spent several millions on a mill at Red Rock---then went into bankruptcy owing $3,500,000, and needing another $4,000,000 to complete the plant.

Here, as I said, was a grim picture. Companies were holding enormous areas and all were in default---except that the export program of some of them was rolling along. Let us see what has happened under this Administration.

At Red Rock the defunct Lake Sulphite Company was transferred to the strong and experienced Brompton interests and the mill completed. At this point is the nucleus of a new and thriving community.

The Marathon deal was cleaned up with the result that today

we have a new community centred around a pulp mill turning out 300 tons of pulp a day. There is a population of about 2,500 people living in a clean new town, complete with houses, schools, churches, theatres, stores, and all the refinements which modern civilization demands.

The same thing is happening at another new town, Terrace in the Schreiber district. Here, the town is also centred around a 300 ton mill. There are 226 new homes, a shopping centre, a 7 room school and a modern 54 room hotel. Remember, these new centres were just raw bush when this Government took charge.

Up at Iroquois Falls, the Abitibi Company had been in the hands of a receiver for years, and the former Government was unable to find a solution to restore health to the affairs of this huge corporation. It was left to this Government to set up a commission of experienced men to find a solution for Abitibi's long standing troubles. They found a fair and generally acceptable solution, and today the company is in a healthy state and appears to be on a sound and permanent basis.

Espanola and Sturgeon Falls were ghost towns for years, because the forest industries on which they depended were closed down. Today, both mills have been rebuilt and re-opened and are maintaining payrolls which are the lifeblood of the respective communities. These mills, thanks to the use of many new developments, are using 20 or 30 different kinds of wood instead of merely spruce and balsam. So far as can be judged, the industries are on a permanent, sustained yield basis. I know there is presently some trouble over stream pollution at Espanola, but I am sure this is not beyond prompt solution.

The concerns at Marathon and Long Lac have already made capital expenditures of more than $50,000,000. Up at Kapuskasing, the Spruce Falls Company is a valued and expanding industry, the key industry in one of the most progressive and prosperous

centres we have in the North.

In cleaning up the pre-election deals of the former Government, it is estimated that more than 6,500 families inthe North are supported through the permanent employment which has been created. I leave it to this House whether this isnot better than having huge quantities of raw material shipped out of Ontario. Just ask the skilled workmen in the new and expanded Ontario mills how he regards the subject. He will give you the answer.

Nearing completion is a forest inventory covering the 167,000 square miles of accessible forest in Ontario. Also, the Forest Management Act of 1947 requires all timber agreement holders and licensees with holdings of more than 50 square miles to take a forest inventory and lay out maps and management plans for their operations. The size of sawmills has been limited, and generally, we have gone a long way toward putting our forest operations on a sustained yield basis.

The integration of the Department of Game and Fisheries with the Department of Lands and Forests was a natural and logical step. Both the protection and the propagation of game and fish are tied in with the management of land, forest, lake and stream, and the amalgamation which has been effected constitutes a practical and common-sense step and is already bringing results. We now have better fish hatcheries and more of them. We have a uniformed game warden service of trained, competent men who know their jobs and are assured of a permanent tenure of office. They work closely with the forest ranger staff. They are aided by an improved provincial air service. They are likewise aided by an efficient provincial police force equiped with the most modern transportation and communication systems. All these are healthy signs. No longer are the departments of government living in water-tight compartments. In all these services I have just mentioned there is close and friendly co-operation, to the benefit

of all the people of this Province.

In the field of reforestation new provincial nurseries have been established at Kemptville and Port Arthur, and the area of the three long established nurseries has been increased. Municipal forest areas have increased from 35,000 acres in 1945, to 80,000 acres in 1949. While 10½ million trees were distributed for planting in 1943, shipments totalled 18,000,000 trees in 1949. This of course, constitutes an all time record and speaks well for the interest of thousands of our people not alone in reforestation, but also in conservation in the broader sense.

Today the Department of Lands and Forests operates 3,800 miles of telephone lines, and a radio chain of 66 ground stations tied in with the key station at Toronto. In addition there are 175 lookout tower radio sets, 40 aircraft sets, 5 motor boat patrol sets and 62 portable sets. My information indicates a further expansion program for the coming year.

Let me say this. Since our hon. Prime Minister (Mr. Frost) assumed the heavy duties of his present office, he has sought to co-operate with the Federal Government and with the numerous municipal governments in Ontario. His invariable practice of seeking a solution of mutual problems around a conference table where men of good will can advance their views in an atmosphere of friendly discussion is getting results. These times are too dangerous for bitter and vindictive strife within the borders of this Dominion. I say without hesitation, the sound judgment and kindly approach of the head of this Administration to inter-government problems stamps him as a sound and able leader who is always able to place the welfare of the Province, of Canada and our people, ahead of any partisan considerations.

In the agricultural field, no lesser improvement has been made, and although it will be impossible for me to deal with.

many branches of agriculture at this time, I do, however, wish to mention a few. It is a known fact that the farmers of this Province are now producing higher quality products with a lower cost of production, and it is also a recognized fact that farming is no longer a trade transmitted from father to son, but it is an art worthy of the highest respect and consideration, and only the trained and educated farmer can attain greater success. A contribution by the Department of Agriculture worthy of mention is the assistance given to junior farmer organizations who are now active in every section of the Province. Practical experience and recommendation is transferred to the farmers and farmers-to-be through the courtesty of the Department. Living in a promising agricultural riding, I would wish to tell this House how well the farmers and settlers of Northern Ontario have received the subsidy on clearing and breaking land and drainage. Since 1946, in the Cochrane District alone, some 16,250 acres of land has been cleared, and 10,500 acres have been broken and put under cultivation. Drainage being a great problem which could not be solved entirely by thefarmers and settlers, was taken over by the Department and some 247 miles of ditching has been done. 162 wells providing drinking water to an increasing live stock have been drilled and subsidized by this government. We have benefitted from aid to co-operatives, to creameries, to agricultural societies and to farm marketing. Subsidized veterinary services help our farmers inthe care of their live stock, and the agricultural representative service is of immense help to our farmers, more especiallyour young folks. In order to improve quality of livestock raised in the north, carloads of cattle were sent in and the freight was paid by the Province. Some criticism has been made on the moneys spent in Northern Ontario on this scheme, but we must not forget that agriculture is the backbone of the prosperity of any nation. Most of those

settlers, if not all, are justly proud to show what has been accomplished in a few years, and are looking to the future with hope and confidence. New lifehas been put into them, and a so humble yet so great enterprise should be, and willbe, maintained and improved.

Mr. Speaker, this I consider monies well spent; this is the type of legislation that goes a long way inthe development of a country, in brief, this is the type of legislation that a sound Government has passed. What was considered a few years back as a land of Christmas trees, as a land of swamps, lakes and rivers, is now being transformed into a promising agricultural country.

The Department of Highways is giving us good service. During my election campaign I had the honour of being associated for a few days with the hon. the Minister of Highways (Mr. Doucett.) He is, as you know, a man of the people. His long experience in municipal life, in this House, and as head of two important departments of government have enabled him to do a big job for Ontario, and to do it well.

Municipal road subsidies on a more generous scale have been of immense aid to us. In 1943, our road subsidies were only about $5,000. In 1946 they were $26,000, in 1947 $45,000, in 1948 $44,000, and in 1949 about $73,000. In view of the great distances involved, and in the light of the traffic to be handled, we have not been able to acquire the high road standards of Southern Ontario. However, aid to municipal roads on an increased scale, development roads, and provincial aid to roads in unorganized territory all are helping us in getting a road networtk whichwill be of immense help in the development of a huge, rich and relatively new territory.

I am glad the time is approaching when we may look forward to the completion of a modern, paved Trans-Canada highway. It opens up enormous possibilities, for agriculture, for mining, and

for the tourist business. It is a matter of national pride that we should possess such a highway. Should we become the battle field in a third World War, such a highway will be a vital element inthe North American defence system. Dictatorships must always expandtheir power. They cannot stand still. It is elementary that the villanous dictatorship which controls so much of Europe and Asia looks forward to the day when it can conquer the western world. We must be ready in every respect for whatever may occur.

I realize that military, among many other considerations, must determine the final selection of a Trans-Canada route. But I know the authorities both here and at Ottawa will give every consideration to the incorporation of the present Northern Ontario route into the system. We can already drive from North Bay to Cochrane, thence west to the Manitoba border over a well-graded route. This highway traverses territory rich in timber and pulpwood, in minerals, and in island, lake and stream with immense tourist possibiliti s. Ultimately, this route must be paved, and I suggest that in spite of many claims as to thedesirability of a more southerly route, the most direct and simple measure would lie in the incorporation of this highway in the Trans-Canada. I know my constitutents in Cochrane, In Kapuskasing, in Hearst and all alongthe route look forward to the day when they can motor over a paved highway to any point in Canada or the U.S.A. It is not my thought to try to dictate to the hon. the Minister (Mr. Doucett), but I know he will not object to my humble suggestions.

We have heard enough criticism fromthe groups on the other side of this House as to Hydro shortages. Fortunately, in my own part of the province our sources of supply have been adequate. The extension of rural Hydro has resulted in the recent construction of more than 100 miles of new rural lines serving

nearly 400 new rural consumers in Cochrane North. However, the best answer to our critics lies inthe construction of eleven new Hydro developments, some already completed, to add more than 1,500,000 horsepower to the Hydro output. During the life of this Government, Hydro has built more than 12,000 miles of new rural lines serving more than 128,000 new rural consumers. It would be fair to say this huge program has brought the benefits of cheap and abundant electricity into the lives of more than 600,000 of our people. What other administration can say as much?

I was glad to hear the view of the hon. member for Leeds (Mr. Reynolds) as tothe St. Lawrence development. Likewise, I was glad to read the hon. Prime Minister's (Mr. Frost) demand that the United States and Canada end the period of frustration which has held up this scheme for years, and that authority must be given promptly to let Ontario and New York State get on with the power development. There is 1,100,000 horsepower going to waste every day this development is delayed. We need this power to capitalize on our resources. This huge development will be good for Ontario, and what is good for Ontario is good for Canada--- and if I may say so---for the people I represent in North Cohhrane.

There is one branch of this Administration which certainly deserves to be commended and mentioned here. I refer to the Department of Public Welfare under the direction of its able hon. Minister (Mr. Goodfellow). Working on an increasing number of pensioners, the administration of the Welfare Department has done a magnificent job for the people of this Province and all are proud and happy to be associated with them and to be associated with a "good fellow" like the hon. Minister (Mr. Goodfellow).

As a new member of this honourable House, I have much to learn. I hope, however, to approach my duties in a spirit of tolerance and good will. In the coming weeks I hope to listen and

to learn. I shall work for the interests of my constitutents, no matter what party they support. I am certain that most of us in the final analysis can subdueour partisanship where the interests of this great province are concerned. If we tackle our problems of legislation and administration with the welfare of all our people foremost in our thoughts, I do not doubt we can accomplish much for a greater, happier and yet more prosperous Ontario.

SOME hon. MEMBERS: Hear, hear.

(Take D follows)

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

MR. J. W. HANNA (Huron-Bruce): Mr. Speaker, representing and leading this very important group here --

SOME hon. MEMBERS: Hear, hear.

MR. HANNA: -- I am very honoured and privileged to move a vote of thanks to these two hon. members (Mr. Reynolds and Mr. Leger) who have no doubt created something new in the way of speeches in moving and seconding the reply to the Speech from the Throne, and I would like at this time to congratulate both the hon. member for Leeds (Mr. Reynolds) and the hon. member for Cochrane, North (Mr. Leger). It does make me feel very happy to have men with vision in this small group.

I know at this particular time the other hon. members sitting on this side of the House are looking with envy, and wondering just what has happened.

SOME hon. MEMBERS: Oh, Oh.

MR. HANNA: I am not going to make a speech at this time, Mr. Speaker, but I would like to say that I believe the late Mr. Reynolds would be very proud to know that this speech was delivered by his cousin, and delivered in such a masterly way, and we are very happy to have them in this small group, and I do want to thank the hon. members in the Cabinet for their vision in sending these two fine gentlemen to join the hon. member for Renfrew, North (Mr. Hunt) and myself, and I can assure the hon. members of the Cabinet that we will look after these two gentlemen well, and I can assure you that they are in good hands.

SOME hon. MEMBERS: Hear, hear.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, may I ask your permission to revert to the Orders of the Day, before moving the adjournment of the House?

My colleague, the hon. Minister of Lands and Forests (Mr. Scott) has an announcement of some interest to make, an announcement which I think will be of particular interest to the hon. member for North Cochrane (Mr. Leger), as it might well be taken as a fulfillment of some of his wishes with regard to the development of his riding, not the trans-Canada highway, but on another matter.

HON. H. R. SCOTT (Minister of Lands and Forests): Mr. Speaker, firstly, as a former leader of the slightly pink northwest group, I would like to add my congratulations to their present leader and to the two hon. members who have addressed us to-day, (Mr. Reynolds and Mr. Leger). I think the announcement I am about to make is very apropos, in view of the remarks by the member for Cochrane, North (Mr. Leger) concerning the development that has taken place in the pulp and paper industry in the last seven years.

Less than a year after completing a record-breaking postwar expansion program in Canada, Kimberly-Clark Corporation today announced plans for doubling the capacity of a new mill constructed in Kapuskasing in 1945.

The program involves conversion of wood pulp into finished goods for Canadian markets, whereby production for the trade-name product of Kleenex -- begun here five years ago -- will be greatly increased and additionally, product also will be manufactured for internationally known trade-name products

of creped wadding.

Total cost will be upward of $3,000,000. including a $150,000 housing growth program for this modern town; growth which will be added to the 172 new houses and one large apartment building that was part of townsite expansion already concluded here since the war's end.

It is estimated that additional woodlands operating employment for 250 - 300 men will also result from today's action.

Guy Minard, manager of the Kimberly-Clark of Canada mill and of the large local affiliate of Kimberly-Clark -- Spruce Falls Power and Paper Company -- said that work was beginning immediately on both mill and town expansion.

Another direct growth program for Ontario is tied in with today's announcement. Kimberly-Clark manufactures the sanitary creped wadding which goes into Kleenex and other products for a long-standing customer, Canadian Cellucotton Products Company, Limited. That concern is coincidentally expected to expand its converting operations in Southern Ontario. Based on previous experiences, it is estimated that additional employment upward of 100 persons will be required by Canadian Cellucotton to adjust for the Kap expansion.

Creped wadding for its Southern Ontario operations previously was largely supplemented by imports from Niagara Falls, N.Y. When the new plant here is completed, 95 per cent will come from the north via Canadian National R.R. transportation.

Kimberly-Clark officials additionally intimate that today's decision may be the forerunner of a still broader program for manufacturing other forms of finished product in Canada. The corporation has developed numerous industrial

creped wadding products that are reported to be finding new and growing markets.

The largest postwar project undertaken by Kimberly-Clark in Ontario was the construction of the new $23,500,000. Long Lac Pulp and Paper Company and the new townsites of Terrace Bay and Long Lac.

Today's new undertaking is expected to be ready in 1951, marking the 30th anniversary of the company's first pioneering effort at Kapuskasing.

Mr. Speaker, I think in view of, shall we say, the problems of unemployment which are creeping up here and there, and in view of the desire that is expressed, both by the Government and by individuals that our forest products should be manufactured as far as possible in Canada, I am sure this announcement today is very gratifying.

SOME hon. MEMBERS: Hear, hear.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the House do now adjourn.

Motion agreed to.

The House adjourned at 4.55 o'clock p.m., to reconvene, Wednesday, February 22nd, 1950, at 2.00 o'clock in the afternoon.

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A-1

Volume 5.

P R O C E E D I N G S

OF THE

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-SECOND DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT TWO O'CLOCK P.M.

Toronto, Ontario
Wednesday, February 22, 1950
2.00 o'clock p.m.

And the House having met.

Prayers.

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MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Committees.

MR. H. A. STEWART (Kingston): Mr. Speaker, I beg to submit the report of your select committee appointed to prepare the list of members to compose the Select Standing Committees of the House and move its adoption.

CLERK ASSISTANT:

The Select Committee appointed to prepare the lists of Members to compose the Select Standing Committees of the House begs leave to present the following as its report:-

The Committee recommends that the Standing Committees ordered by the House be composed as follows:-

COMMITTEE ON PRIVILEGES AND ELECTIONS

Messrs. Calder, Cathcart, Dennison, Doucett, Edwards, Frost, Grummett, Jolliffe, Murdoch, Nixon, Oliver, Patrick, Pryde, Robson, Stewart, Thomas(Elgin), Wismer--17.

The Quorum of the said Committee to consist of seven members.

COMMITTEE ON EDUCATION

Messrs. Baxter, Calder, Cecile, Chartrand, Dowling, Foster, Fullerton, Hamilton, Harvey (Nipissing), Harvey (Sault Ste. Marie), Johnston (Simcoe Centre), Leger, Mackenzie, MacLeod, Miss Macphail, Messrs. Martin, Millard, Morrow, Murdoch, McDonald, Nixon, Patrick, Porter, Pringle, Reynolds, Robson, Scott (Beaches), Stewart, Temple, Thomas (Ontario), Villeneuve, Walters, White--33.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON PRIVATE BILLS

Messrs. Allen, Brown, Calder, Cathcart, Chartrand, Cox, Dempsey, Dennison, Downer, Dunbar, Easton, Edwards, Ellis, Grummett, Hall, Hamilton, Hanna, Harvey (Nipissing), Houck, Isley, Janes, Johnston (Parry Sound), Johnston (Simcoe Centre), Leger, Mackenzie, MacLeod, Miss Macphail, Messrs. Martin, Millard, Morrow, Murdoch, McDonald, McEwing, McPhee, Newman, Oliver, Patrick, Pringle, Pryde, Rea, Reynolds, Robinson, Sandercock, Scott (Peterborough), Stewart, Temple, Thomas (Ontario), Thornberry, Villeneuve, White, Wismer--51.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON STANDING ORDERS

Messrs. Allen, Blackwell, Brown, Cathcart, Chartrand, Edwards, Fell, Foster, Fullerton, Goodfellow, Griesinger, Hall, Hamilton, Isley, Johnston (Simcoe Centre), Leavens, Murdoch, McEwing, McPhee, Park, Parry, Phillips, Pringle, Rea, Reynolds, Robson, Scott (Beaches), Stewart, Thornberry, Walker, Walters--31

The Quorum of the said Committee to consist of seven members.

COMMITTEE ON PUBLIC ACCOUNTS

Messrs, Allen, Baxter, Brown, Calder, Cathcart, Chartrand, Dennison, Dent, Doucett, Downer, Edwards, Ellis, Fell, Frost, Gemmell, Goodfellow, Gordon, Hall, Hamilton, Hanna, Harvey (Sault Ste. Marie), Houck, Hunt, Janes, Johnston (Simcoe Centre), Jolliffe, Kelley, Leavens, Mackenzie, MacLeod, Martin, Millard, Morrow, Murdoch, McEwing, McPhee, Nixon, Oliver, Park, Parry, Patrick, Phillips, Pringle, Pryde, Reynolds, Robson, Sandercock,

Stewart, Temple, Thomas (Elgin), Thomas (Ontario), Thornberry, Villeneuve, Walters, Wismer--55.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON PRINTING

Messrs. Baxter, Brown, Calder, Cathcart, Challies, Dent, Gordon, Griesinger, Hanna, Harvey (Sault Ste. Marie), Hunt, Leavens, Mackenzie, Martin, Morrow, Murdoch, Pringle, Pryde, Salsberg, Scott (Beaches), Taylor, Thomas (Ontario), White--23.

The Quorum of the said Committee to consist of seven members.

COMMITTEE ON MUNICIPAL LAW

Messrs. Allen, Baxter, Brown, Cathcart, Challies, Dennison, Doucett, Dunbar, Easton, Edwards, Ellis, Fell, Foster, Fullerton, Gemmell, Gordon, Grummett, Hall, Hamilton, Hanna, Harvey (Nipissing), Houck, Janes, Johnston (Simcoe Centre), Jolliffe, Mackenzie, Martin, Murdoch, McEwing, McMillan, McPhee, Nault, Parry, Patrick, Pryde, Reynolds, Robinson, Salsberg, Scott (Beaches), Stewart, Thomas (Elgin), Thomas (Ontario), Thornberry, Villeneuve, Walker, Welsh, White--47.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON LEGAL BILLS

Messrs. Blackwell, Calder, Chartrand, Fell, Foote, Gemmell, Grummett, Hamilton, Janes, Jolliffe, Murdoch, McDonald, Nixon, Parry, Patrick, Porter, Rea, Reynolds, Scott (Beaches), Stewart, Walters--21.

The Quorum of the said Committee to consist of seven members.

COMMITTEE ON AGRICULTURE AND COLONIZATION

Messrs. Allen, Baxter, Dennison, Dent, Downer, Easton, Edwards, Ellis, Foster, Goodfellow, Gordon, Hall, Hanna, Harvey (Nipissing), Hunt, Isley, Janes, Jolliffe, Johnston (Simcoe Centre), Kennedy, Leger, Mackenzie, Miss Macphail, Messrs. Martin, Millard, Morrow, Murdoch, McDonald, McEwing, McMillan, McPhee, Newman, Nixon, Oliver, Parry, Patrick, Phillips, Pringle, Pryde, Reynolds, Robson, Stewart, Taylor, Temple, Thomas (Elgin), Thornberry, Villeneuve--47.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON FISH AND GAME

Messrs. Allen, Baxter, Cathcart, Cox, Dempsey, Dennison, Dent, Dowling, Downer, Easton, Ellis, Foster, Fullerton, Grummett, Hall, Hanna, Harvey (Nipissing), Harvey (Sault Ste, Marie), Houck, Hunt, Isley, Janes, Johnston (Parry Sound), Johnston (Simcoe Centre), Jolliffe, Leger, Mackenzie, McPhee, Martin, Morrow, Murdoch, McDonald, McEwing, McMillan, Newman, Nixon, Phillips, Pringle, Pryde, Rea, Reynolds, Robinson, Salsberg, Sandercock, Scott (Peterborough), Stewart, Taylor, Villeneuve, Walker, White, Wismer--51.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON LABOUR

Messrs. Calor, Cathcart, Cox, Daley, Dempsey, Dowling, Downer, Edwards, Ellis, Fell, Hall, Hunt, Leger, Mackenzie, Millar, Murdoch, McPhee, Newman, Nixon, Park, Parry, Phillips, Pryde, Rea, Reynolds, Salsberg, Walker, Walters, White, Wismer--30.

The Quorum of the said Committee to consist of nine members.

COMMITTEE ON MINING

Messrs. Brown, Calder, Cox, Daley, Dempsey, Dowling, Foote, Fullerton, Gemmell, Grummett, Hamilton, Hanna, Harvey (Nipissing), Harvey (Sault Ste. Marie), Houck, Hunt, Johnston (Parry Sound), Jolliffe, Leger, MacLeod, Morrow, Murdoch, Nault, Newman, Rea, Taylor, Temple, Thomas (Elgin), White, Wismer--30.

The Quorum of the said Committee to consist of nine members.

Motion agreed to; report adopted.

(page A-7 follows)

MR. SPEAKER: Motions.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move, seconded by Mr. Doucott, that a Select Committee be appointed to direct the expenditure of any sums set apart in the Estimates for art purposes, such committee to be composed as follows:- Messrs. Cathcart (Chairman), Chartrand, Foote, Leavens, Martin, Morrow and Mackenzie.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, before this motion carries, it has become customary to enquire each year when it is appointed whether last year's committee has had any success in catching some of the former premiers who were supposed to be done in oil. I suppose they are still loose and cannot be caught. Is there anything known about their efforts last year which I understand were either futile or were repulsed? I have heard nothing myself.

MR. FROST: Mr. Speaker, I do not know that I can say anything. I can assure you we will do our very best. We will try to trap the hon. Minister of Agriculture (Mr. Kennedy) and have his picture painted some of these days. Perhaps we can do that with the former Premier.

MR. H. C. NIXON (Brant): You may become ex yourself yourself some day.

SOME hon. MEMBERS: Oh, oh.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Doucott, that Mr. Patrick, member for the electoral district of Middlesex, North be appointed as Chairman of the Committee of the Whole House for the present Session.

SOME hon. MEMBERS: Hear, hear.

Motion agreed to.

MR. SPEAKER: Introduction of Bills.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House report of the Ontario Food Terminal Board, Department of Agriculture, for the year ending December 31st, 1949, and also the report of the Ontario stock yards for the year ending June 30th, 1949.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, the hon. Minister of Highways (Mr. Doucett) will later on today be making an important announcement or an important address to the road representatives who are in the city in very large numbers at the present time. All those who are living in the downtown hotels will note the large number of people interested in the highway systems across Ontario in all its various aspects who are in the hotels today and we have many important meetings of municipal representatives and in keeping with what I think is a sound practise, we have felt that it was desirable that announcements of important public matters to be made by hon. Members of the Government should first of all be made to the hon. Members of the House.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: I might say we followed that practise last Friday in the matter of the regulations relating to grants concerning education. These announcements have been made in the ordinary course for years. Now, we are hoping to follow the practise of taking the House into our confidence before important announcements are made. I think that is in accordance with parliamentary practise and we acknowledge this, that the power of any government comes from the elected

representatives from the people, and we believe that the Legislature should be treated with the dignity to which it is entitled. In a few moments the hon. Minister of Highways (Mr. Doucett) will make an important announcement concerning highway construction which I shall preface by making a statement relative to our general public works policy and the financing of same because that is a matter of public interest and public concern. It also involves our relationships and attitudes to the Federal Government. During the past few years Ontario has been experiencing great development, evidence of which is shown in the hydro expansion which is required because of the power need of the province. I might say that financing in connection with these projects is proceeding very satisfactorily. Yesterday a loan was completed involving a further loan to Hydro of $55,000,000. on very excellent terms, which is in line with the very large financing which we have undertaken in the last couple of years. These needs arose from the increasing demand on the part of industry, agriculture and individuals for increased power. With the growth of the province there has been an expanding demand for housing, hospitals, schools, highways, and public buildings. At the present time, as has already been indicated, we have a very large public investment program. I am very glad to say the majority of this is self-liquidating. In Hydro and in Ontario Northland Railway, the retirement of our capital investment is taken care of by the users of those services. In much of our other program this is also true. For instance, two works just announced by the Minister of Public Works (Mr. Doucett) namely, the Workmen's Compensation building and the Government building at Osgoode Hall will be both self-liquidating. This will also apply to a warehouse building which will be required by the Liquor

Control Board, which will give us better service and the saving of time and arrangements will be self-liquidating. On the other hand, the extension of government buildings at Queen's Park which will increase efficiency, and hospitals and homes for the aged, will constitute a direct charge on tax revenues.

In the last few years, we have fitted our public investment program as best we could into the construction facilities which we have had in the province. In other words, we have not desired to push public works ahead to the detriment of, say, housing. The difficulty of this position in the last year may be shown by the fact that in 1949 the Hydro alone required almost the complete output of the available cement plants for three months in order to take care of their requirements. This meant that the use of cement on highway construction had to be held back in order to leave sufficient supplies for the very large housing program which last year exceeded 30,000 units, and other expansion in the province.

In the last ten years, due to the war and the shortages arising from the same, we find ourselves definitely behind in road construction. The hon. Minister of Highways (Mr. Doucett) will explain this in a few minutes. We have had a very heavy increase in car registrations which now approaches one million. The further construction of highways in the province, we believe, will stimulate travel, particularly from the States, and again, with increased revenues, highway expansion should become over the years self-liquidating, because of additional travel and registration. With the requirements we presently have, large amounts of this work will have to be done by capital advances by the province to be repaid from future revenues. Over the period of the next five years with increased

population and traffic and with the evidence we have of increased traffic from the States as well as from other provinces, it is altogether desirable that we should proceed with highway construction aimed at giving to Ontario modernized highways which our developments and prospects justify. With that as our policy, we are planning to proceed this year and in following years with a largely expanded highway program, and our investments in capital will, of necessity, greatly exceed those of past years. We are planning if conditions warrant, in highways alone, to expand our present expenditures. The hon. Minister of Highways (Mr. Doucett) will give details of this in a moment.

The plans which we have for needed public works in the province have a very large bearing on the present unemployment situation. On the one hand, we do not desire to press public works to the detriment of housing and industrial expansion. We, however, are prepared to expand our public works program to the very limit if it is necessary in the general picture of things so to do. I think it is fair to say that the Federal Government has not asked us to go ahead with public works and, in fact, the Right Honourable Prime Minister, Mr. St. Laurent, is reported on Tuesday as stating that in this last year the gross national product in 1949 was $16 billion and he estimated that the gross national product for 1950 will be about 16¼ billion dollars, which would indicate a very high level of employment. I think all of you who are familiar with the figures relating to gross national product know that last year 16 billion dollars was an all-time high for Canada, and if we are to exceed that by one quarter of a billion dollars there will be a very high level of employment. If such is the case, quite obviously some of the plans which we have for

public works will have to be held back, otherwise they would be carried on with the normal competition of the normal expansion of the province. I think it is agreed that it is undesirable that such should be the case.

If we are running into a period of heavy employment in which there was a competition in materials and labour, then, of course, I think our public works should be held back, and I might say I quite agree with the Dominion proposals in that regard.

On February 3rd, I wrote to the Right Honourable Prime Minister of Canada a letter which I shall table. It has already been tabled at Ottawa and I notice it has been mentioned in the Press, and probably has been read by most of the hon. members here, and which in part said:

> "The fact that there is a Dominion-Provincial conference called for this fall need not stand in the way of discussions between the Federal Government and the Government of Ontario relative to a wide variety of subjects. I have such things in mind as the following:
>
> 1. The integration of Dominion and provincial plans relative to public investment. The province of Ontario, with its municipalities and commissions, at the present time has a very large public investment program in operation which is necessary because of the expansion of the province. We have a great many other plans which can be gone ahead with if economic conditions are such that this is required. If the unemployment situation is such as to justify a program of public works, we are quite prepared to discuss this matter with you at any time. Our present public investment

program is involving expenditures of approximately $25 millions a month. We are most anxious to be co-operative in this matter and if the present unemployment situation justifies concerted Federal and provincial action, I am prepared to discuss the matter at once."

(Take B follows)

I think, Mr. Speaker, this is a reasonable position to take. It is well to face up to the situation which exists in 1950.

The provinces and the municipalities are of necessity limited in their tax sources, and the matter of over-all employment is one which the provinces and the municipalities cannot solve themselves, and at the same time retain their financial stability.

If there is general unemployment, then, in our opinion, it requires concerted Federal, provinccial and municipal action. The province and the municipalit es are presently taking care of assistance to unemployables. They are faced with works---vast public works---requirements along the lines which I have indicated, which willrequire all of the financial backing that they can give to the s me.

Works which can be done by the provinces and the municipalities are very great indeed, provided they have the financial means with which to do them.

We are presently faced with demand s to institute a form of cash relief. This is a form of unemployment insurance which does not lie within the capabilities of the municipalities or the provinces if they are to retain their financial solvency.

Our view is that the best assistance the province and the municipalities can give in any unemployment situation is a public-works program which is integrated with Dominion effort. With the great investment program which we have in Ontario we have had unemployed attracted fromother parts of the Dominion. I do not think it is sound for the province on theone hand to go ahead with a public-investment program of the dimensions which

has been outlined---and which will be supplemented in a very large measurement in a moment bythe hon. Minister of Highways (Mr. Doucett)---and at the same time attempt to deal with the matter of cash relief, which is a form of unemployment insurance coming within the Federal field.

If the province and the municipalities are to do the work which lies before them, which is their responsibility,---and I say, Mr. Speaker, a very tremendous work indeed---then their fiscal position must be limited to those great projects which are going to require everything they can put into them. And may I say to the hon. members of this House that the program we have before us will require all the great financial strength of the province of Ontario to carry through in the years to come.

I can summareize what I have said in these points:

1. The credit of the province is and hasbeen used very effectively for public projects such as Hydro and other matters which are not only giving great employment but are greatly increasing the economic strength of the country.
2. Our highways program is already the heaviest in history. This can be greatly expanded and we have plans which we are putting into effect to do this, subject of course to labor and materials being available and also our desire not to compete unfairly with other expansions in the province, including industry and housing.
3. We are most anxious to integrate our public investment program withthe plans of the Federal Government to provide for full employment for our people.

In carrying out so great a program, involving in one phase the $150 million dollar plans being outlined by the hon. Minister of Highways (Mr. Doucett) today, full consideration has been given

to the necessity for maintaining a sound financial position. We aim to carry on the normal functions of government at a high level and for which we plan to pay out of our current revenue. In carrying out public investments and works projects such as outlined, we intend to adhere to the sound principles of borrowing which have characterized our past financial policy so that new works will create new revenues and that borrowings will be retired during the lifetime of the works for which they are incurred.

This statement outlines the considered policy of this Government in relation to these matters which will be followed by the statement of the hon. Minister of Highways (Mr. Doucett) relative to our plans for increased highway development in the province of Ontario.

With this preliminary explanation, Mr. Speaker, with respect to our general financial position, our plans in relation to it, and our attitude toward other governments, the hon. Minister of Highways (Mr. Doucett) will give a statement relative to our highway developments which are planned for the coming years.

MR. W. H. TEMPLE (High Park): Mr. Speaker, may I ask the hon. Prime Minister (Mr. Frost) a question--

MR. SPEAKER: There will be no question until after the statement is made by the hon. Minister of Highways (Mr. Doucett).

MR. TEMPLE: Mr. Speaker--

MR. SPEAKER: May I have the floor? This is only a preliminary statement, and I think it is unfair to question the hon. Prime Minister (Mr. Frot) on his preliminary statement. Therefore, the honl Minister of Highways (Mr. Doucett) has the floor. After he has concluded his remarks, then questions may be asked.

HON. GEORGE H. DOUCETT (Minister of Highways): Mr. Speaker: At this time I should like to make to the House a brief statement on a matter that is of sufficient importance to warrant me in asking the indulgence of the hon. members of this Assembly.

Most of you are aware that the annual meeting of the Ontario Good Roads Association is now in session in this city. The membership of this strong and active association comprises a representative cross section of our people who in one way or another are making a most valuable contribution to the cause indicated by the name of their organization. You are also aware the delegate body comprises a very large number of representatives of our municipal governments. I do not need to enlarge on the close relationship between the provincial administration and our municipal governments in many fields of mutual endeavour and responsiblity.

I have been honoured by the receipt of an invitation to address the delegates of the Association this afternoon. My intention is to speak in some detail about plans adopted by this Government for extremely important extensions and revisions in our whole system of provincial highways. As the session of this Assembly proceeds I shall seek the co-operation of this House in furthering the plans we have formulated. Their implementation will involve, of course, the approval of financial provisions of considerable magnitude.

It would not be in order for me at this time to attempt to outline our plans in all their detail. I shall content myself with saying these plans are made necessary because our present highways system needs numerous measures of

enlargement and revision consistent with the rapid growth of our whole provincial economy. Our provincial expansion in the fields of agriculture, of industry, commerce and development of electrical energy is so great as to require no lengthy comment. Our record as to building -- homes, factories, all types of structures -- is an impressive one. Hence, our conclusion is that our highways program must now be put in line and kept in line with the general growth of our provincial economy.

This does not imply there has been any neglect of our necessities in this important field. We have overtaken a backlog of deferred work piled up during the war years and those immediately following. We have accomplished a substantial amount of new construction. We have met the pressing demands made upon our Treasury from many quarters.

You are aware of the long-standing shortages of lumber , nails, steel, cement and other basic construction materials. These shortages have led us to forego our immediate claims on available supplies, for the sound and simple reason that we did not wish to handicap the Hydro program, the industrial expansion program, and above all, the construction of houses.

Materials are now in more ample supply. There are more men available for the tasks which present themselves; and I do not need to assure you that our aim is to lend the utmost aid in reaching and maintaining the goal of full employment.

For all these, and indeed for many reasons I need not now enlarge upon, the Government will recommend to this House a program of highway construction and renovation that,

over an estimated 5-year period will require an expenditure of $150,000,000, over and above what is a more or less normal yearly outlay. This program, I believe, will prove to be self-liquidating. Nevertheless, it will require the approval of the hon. members of this Assembly in authorizing the substantial outlay which will be required.

We propose to initiate a program that ultimately will give to Ontario a modern, dual-lane highway from Windsor to the Quebec border.

SOME hon. MEMBERS: Hear, hear.

MR. DOUCETT: This part of the program will do more to establish a through highway of high standard which has become an obvious necessity. The whole great Windsor area will be given means of ingress and egress consistent with its great and growing importance in the fields of industry, commerce and agriculture. Thus also, there will be formal and practical recognition of Windsor as one of our great ports of entry. Needless to say, the new highway will also be so routed as to serve vast stretches of our Province now without adequate, through highway accommodation. For example, the areas centred around Chatham, London, Woodstock, Brantford, Galt, and Kitchener will all feel the benefits of the proposed route.

We shall furnish means for through traffic to pass to the north of Toronto, speeding the motorist to his destination, eliminating his battle through 30 miles or more of crowded streets and at the same helping solve a most trying municipal problem -- that of an increasing and intolerable congestion.

Our existing dual-lane highway will be extended easterly

from Oshawa.

In the Hamilton area we intend to draw on modern engineering skill and practice to eliminate the Burlington bottle-neck.

SOME hon. MEMBER: Hear, hear.

MR. DOUCETT: We shall evolve a high standard highway leading from our capital city of Ottawa to the Quebec border.

SOME hon. MEMBER: Hear, hear.

MR. DOUCETT: We shall make an immediate start on paving the new dual-lane Toronto-Barrie Highway -- a measure acutely necessary in the interests of safety and comfort, and necessary in the interests of our tourist trade.

Other measures will help the north, the east, in fact all parts of our Province.

Ordinary courtesy demands that I should in reasonable degree, relate something of our plans to the delegates of the Ontario Good Roads Association. I feel this is only fair to this representative body that has accomplished so much in the interests of better highway transportation. With this program pending, and subject, of course, to the approval of this House, I feel most strongly that it would be unfair to such outstanding sponsors of the good roads movement, to allow them to disperse to their homes without giving them some little detail of what we have in mind. Therefore, I am asking the forbearance of the hon. members of this Assembly in relation to my address to the Good Roads delegates this afternoon. I can assure the hon. members there will be every opportunity for a full discussion of plans which will mean so much for our future. However,

I do not think anyone in this Assembly will object to my course in amplifying this subject before members of the Ontario Good Roads Association, bearing in mind their long record of service, their sound policies, and their presence in such large numbers in convention here at this time.

Now, I would like to say a word with regard to our decision. The Province of Ontario is in a rather peculiar position in thatsome eight and one-half percent. of the area of the province of Ontario has 91½ percent. of the motor registration, Still, we are quite mindful that in that great country which lies to the north of us, they play an important part in every phase of our life, and we are keeping in mind that while the large registration is in the small area, we have done a great deal for the north, but we still intend to go forward.

It might be interesting to the hon. members of this House to tell you at this time that in that section there is 10 percent. of the registration of our motor vehicles, but 35 percent. of our King's highways.

Now, let us look for a moment at the financial implication of this plan. The division of expenditures by general areas works out, roughly, in this manner. I have divided the Province of Ontario into seven sections, which is done as to population, motor vehicle registrations, areas, needs, and so forth.

1.	Ottawa-Pembroke-Brockville-Cornwall area	$15,500,000
2.	Peterborough-Belleville-Kingston area	27,900,000
3.	Toronto-Owen Sound-Kitchener area	25,280,000
4.	Hamilton-Niagara area	20,600,000
5.	London Brantford-Wingham-Collingwood area	15,750,000

6. Windsor-Chatham-Sarnia area $10,620,000
7. Northern and Northwestern Ontario area 34,350,000

This makes a total of $150,000,000. Every part of Ontario will, I am sure, feel the benefits of this program. And in thinking of the areas I have mentioned, please remember that they cover the whole province and that I mention specific points only as a ready means of identification. From time to time more specific details will become available, and I know you will follow the proceedings as they are developed.

SOME hon. MEMBERS: Hear, hear.

MR. W. H. TEMPLE (High Park): Mr. Speaker, I was about to ask the hon. Prime Minister (Mr. Frost) when he sat down if in view of the large number of unemployed which are in existence in Toronto at the present time, and I believe in other cities throughout Ontario, and in view of the wretched, destitute position in which these men are at the present time, how he expects them to live until such time as he can make a deal with the Ottawa government, or until such time as the public works projects which he mentioned are under way?

I think this is a very, very pressing problem and I would ask the hon. Prime Minister (Mr. Frost) to tell us what he thinks these men should do.

MR. FROST: I do not know, Mr. Speaker, whether that is a question or not, but I will say that I think the people of this province can feel that the province as a whole has been pulling mightily in connection with the general economy of the country.

I think, Mr. Speaker, perhaps we should get this problem in perspective. We are a province. The city of Toronto---and the other municipalities---are municipalities within the province. After all, in the matter of over-all employment within the province, that is, of course, something which is beyond the scope of any provincial or any civic administration.

On the other hand, Mr. Speaker,--and after all, I want to be fair---we have theFederal administration at Ottawa and I do not think for one moment that the Federal administration at Ottawa could provide for unemployment without the assistance of the municipalities and cities of the province. I think my statement explained our view very fully.

At the present time we have an enourmous public-investment program in Ontario, approximately, in round figures, $25,000,000 each and every month, in various shapes of development, public works, highways,hospitals, municipal works, hydro, and what not. The fact of the matter is we have been somewhat doubtful ourselves as to what position we should take, as to whether we should press public works in view of the shortages of materials, shortages which we know last year did hold up certan projects here in the province of Ontario.

I have repeatedly offered---and I know the hon. members of this House will agree---the fullest, freest cooperation, not only with the Federal government, but with any government, in integrating our efforts to provide facilities, perhaps not the same extent as they were, but to do the best job we can for our people, and to give our people the best value.

At the present time, Mr. Speaker, our public-investment program in Ontario is employing tens and tens of thousands of people---how many, I do not know. When you carry it down into the various industries which contribute to construction of all kinds, it is a very large number of men indeed.

The provincial government is given very little opportunity to know what the general national trend of things is. We have to accept guidance from a senior government, but again I say that the Ottawa government---they have not given me this information directly; indeed, I have no communication fromthem about it---but I did offer in my letter of February 3rd, and also in a public

statement prior to that, to integrate our efforts with the Federal government in any plans they have for public works, to provide for the best type of full employment for our people. But again I say we do not know what the national trend---the national economic trend---is going to be. After all, so much depends on thinggs which are completely beyond the scope of a Legislature such as this, such as the matter of currency, the exchange ability of currency, the exchange of goods and trade with foreign countries and all that sort of thing. But I can say that yesterday the Rt. Hon. Prime Minister of Canada (Mr. St. Laurent) himself stated that in this year---1950---he thought that the gross national products would run about $16,250,000,000. If such is the case, a high level of employment in this country is inevitable. In fact, it will work out so that next Summer we will be having a shortage of labor.

As to the accuracy of those statements, I can only say that their estimates of gross national products, in the last four or five years have beengenerally understatements of what conditions will be.

In our own statistical branch here we have dug into this matter from time to time---and we cannot possibly have at our disposal anything like the accurate estimates the Federal government have---but our estimates have usually been somewhat of underestimates of what has actually been the case.

I may say to the hon. members of this House that our estimate of the corporation tax is a good example of that. Our first estimate of the corporation tax ran about $40,000,000. That has skyrocketed far over that, and the computations upon which we based that, in the first place, were altogether too much on the modest side of things.

We hope in the future in Canada and in Ontario that we may have a high level of employment, and I can assure you, Mr. Speaker,

and the hon. members of this House, that anything this government can do to further effort of all the people of Canda, and all the governments of Canada, in maintaining a high level of employment will be fully and freely done. There is nothing in the form of cooperation which will be lacking from the government of Ontario.

SOME hon. MEMBERS: Hear, hear.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker---

MR. SPEAKER: May I point out, just as a word of caution, that this is merely a statement primarily from the hon. Minister of Highways (Mr. Doucett), and we are not having a full-dress debate on this. It was merely a statement. When the matter comes up, I presume in the budget debate, or in the estimates, an opportunity will be given I am sure for a full-dress debate. Let us recognize the ruling on this. Questions may be asked directly, but no speeches, and if I find we are getting into the debating point, I am sure the hon. members of the House will support me when I say it cannot go on, simply on a statement from one of the hon. Ministers.

MR. FARQUHAR OLIVER (Grey, South): Mr. Speaker, I want to ask the hon. Minister of Highways (Mr. Doucett) or the hon. Prime Minister (Mr. Frost) a question. Will either of them tell me if in the program outlined by the hon. Minister of Highways (Mr. Doucett) will be included the expenditures for the Trans-Canada Highway?

MR. FROST: Yes, it will include that. The amount the hon. Minister (Mr. Doucett) mentioned of $150,000,000 is in addition to the program we are presently carrying on. It would increase by the amount of expenditures each year the present program we are carrying on which this year will run somewhere in the neighborhood of $70,000,000.

MR. J. B. SALSBERG (St. Andrew); Mr. Speaker, in view

of the fact that the hon. Prime Minister (Mr. Frost) found it necessary to state the policy or position of the government in regard to the cash relief, and in view of the fact that regardless of plans for public works, which we all welcome, there is, nevertheless, a very serious situation, where a few thousand---

SOME hon. MEMBERS: What is your question?

MR. SALSBERG: This is a question in regard to the statement, and I will complete it, if given a chance, Mr. Speaker.

MR. SPEAKER: At the time thehon. member for High Park (Mr. Temple) asked his question, I had some doubt in my own mind as to the relevancy of that question.

I think the hon.members will agree the hon. Prime Minister's (Mr. Frost) statement was a preamble---

MR. SALSBERG: A very pregnant preamble.

MR. SPEAKER: I grant you that. But it was a preamble to the statement of policy presented by the hon. Minister of Highways (Mr. Doucett) and I do feel that the statement presented has to do with the proposal, as I gathered it, or announcement of $150,000,000 to be spent for highways.

I am sure we can all appreciate that if we are going into the scope of unemployment, unemployment relief, and cash relief, we will get very far away from the point at issue, and we will be having a full-dress debate. That, I submit, can only come at the proper time.

If this question which the hon. member for St. Andrew (Mr. Salsberg) was about to ask, has to do with the policy announced by the hon. Minister of Highways (Mr. Doucett), that is all right, but I ask you to accept my ruling that the statement of the hon. Prime Minister (Mr. Frost) was only a preamble, and if you accept that, then the questions are not in order.

MR. SALSBERG: All I want is to ask a question, which is this; in view of the fact that at the moment there are a few

thousand men who have no place to sleep as this picture in the Globe yesterday shows, and who are compelled to stand in line in sub-zero weather waiting for a bowl of soup, would not this government agree to grant cash relief, even if only in a temporary way, so as to provide shelter and food for these thousands of men who are anxious to work and who will offer their services for the projects, but who are today given no assistance by any level of government?

MR. SPEAKER: May I suggest to the hon. member (Mr. Salsberg) that he submit his question, and not make a speech.

MR. SALSBERG: I did.

MR. FROST: I answered the hon. member's (Mr. Salsberg) question completely in my statement.

MR. SALSBERG: That means you refuse. That is what it means.

MR. E. B. JOLLIFFE (Leader of the opposition): Mr. Speaker, I would direct this question to the hon. Prime Minister (Mr. Frost) who could probably answer it in his capacity of Provincial Treasurer. Is it correct to assume that the sum of $150,000,000 is in the same category as what have been shown as highway capital disbursements, or does it overlap what we have been shown as ordinary disbursements?

MR. FROST: I think I explained it to the hon. members of the House in my statement, Mr. Speaker. These would be capital advances. We are hopeful of this---we are already making capital advances, as the hon. leader of the opposition (Mr. Jolliffe) knows, from the budget of last year---but we are hopeful of being able to reduce the capital advances by increased revenue from the highways, and we think that in these days of 1950, with our great position, and with the requirements of the people, that we are justified in going ahead with the expansion of capital works. We think it will inure to the benefit of our people, and increase our revenue, by

a sound investment.

MR. G. B. ELLIS (Essex, North): Mr. Speaker, while the hon. Minister of Highways (Mr. Doucett) has left his seat, I would like to ask the hon. Prime Minister (Mr. Frost) a question, but before doing that, I want to say this--

MR. SPEAKER: May I again request the hon. members to follow the lead given by their hon. leaders. Let us not have any debate on this,or any comments. Let us simply have a direct question. There will be ample time, I am quite satisfied, for a full expression of opinion. This is merely a statement, and all I can allow is a direct asking of questions.

The hon. leader of the opposition (Mr. Jolliffe) gave the lead, and the hon. leader of the Liberal group (Mr. Oliver) also gave the proper lead.

If you have a question I will be glad to entertain it.

MR. ELLIS: Mr. Speaker, my question is in regard to the dual highway between Windsor and Toronto. Am I to assume that the government plans to go ahead with the construction of this highway immediately?

MR. FROST: Well, it is a five-years plan. I would not like you people to be on the fifth-year end of it.

MR. ELLIS: You will start construction within the five-year period?

MR. FROST: Oh, yes.

MR. GEORGE I. HARVEY (Sault Ste. Marie): Mr. Speaker, in the absence of the hon. Minister of Highways (Mr. Doucett) may I ask the hon. Prime Minister (Mr. Frost) a question? In view of the statement he made that part of this appropriation will be used in building the Trans-Canada highway, would it be correct to ask if the route has been designated as yet?

MR. FROST: I cannot answer that question now.

MR. W. H. TEMPLE (High Park): Mr. Speaker, I would like

to ask the hon. Prime Minister (Mr. Frost) if he will accept an invitation to go down to the Fred Victor Mission with me tonight---

MR. SPEAKER: Order. The hon. member (Mr. Temple) is completely out of order.

MR. WILLIAM L. HOUCK (Niagara Falls): May I rise on a point of personal privilege to correct what I think was a very grave mistake made by the hon. Minister of Highways (Mr. Doucett). This is not a question.

The hon. Minister of Highways (Mr. Doucett) stated in his very fine speech that the most important point of entry into Canada was Windsor.

SOME hon. MEMBERS: Oh, oh.

MR. HOUCK: I would like to correct that.

MR. SPEAKER: I am afraid it is 3 to 1 against you on that.

SOME hon. MEMBERS: Oh, oh.

MR. WILLIAM DENNISON (St. David): Mr. Speaker, would the hon. Prime Minister (Mr. Frost) say whether in view of the great revenue of the Highway Department---I believe $67,000,000 last year---would it not be possible to pay a good share of this $150,000,000 out of the yearly revenue?

MR. FROST: Of course, we do that now. In some years we have paid it altogether.

MR. DENNISON: Is it not the suggestion to borrow this entire $150,000,000?

MR. FROST: Not necessarily. Last year, as the hon. members will recall, we increased our sinking fund requirements in order to make payments on the highways account.

MR. SPEAKER: Orders of the day.

HON. LESLIE M. FROST (Prime Minster): Mr. Speaker, I will call order number 23. We wil take up the second reading and then go into committee.

FARM PRODUCTS GRADES AND SALES ACT

CLERK OF THE HOUSE: 23rd order, second reading of Bill No. 42, "An Act to amend the Farm Products Grades and Sales Act," Mr. Kennedy.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, I move second reading of Bill number 42.

This is what may be called "tidying up." This Act and those following will be referred to the agricultural committee, where they can be gone over more fully. This Act describes the manner in which sellers, transporters, and shippers of farm products shall identify, for purposes of grading, individual producers' lots in any shipment, and prescribes the powers and duties of grading and sanitation.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order No. 24.

LIVESTOCK AND LIVESTOCK PRODUCTS

CLERK OF THE HOUSE: 24th order, second reading of Bill number 43, "An Act respecting Livestock and Livestock Products," Mr. Kennedy.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, I move second reading of Bill number 43, "An Act respecting Livestock and Livestock Products."

Mr. Speaker, this Act is a new Act, complementary to the Dominion Livestock and Livestock Products Act. Prior to this, it came under the Grades Sales Act, but the Law Clerks thought the Grades Sales Act could only be applied to honey, fruit and vegetables and not livestock.

This is almost word for word with the Dominion Act, and an Act in force in some of the other provinces.

MR. FARQUHAR OLIVER (Grey South): Will this Bill go into committee?

MR. KENNEDY: Yes, these will all go into committee.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 25.

THE FARM PRODUCTS MARKETING ACT

CLERK OF THE HOUSE: 25th Order, second reading of Bill number 44, "An Act to amend the Farm Products Marketing Act, 1946," Mr. Kennedy.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, I beg to move second reading of Bill number 44, "An Act to amend the Farm Products Marketing Act, 1946."

This Bill deals with regulated products. We left out the word "regulated," and therefore it applied to all products. We have left out the words "fair prices" because we accept the lowest price at which the product can be sold. This also will go to the agricultural committee.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minster): Order number 26.

THE WEED CONTROL ACT

CLERK OF THE HOUSE: 26th order, second reading of Bill number 46, "The Weed Control Act, 1950," Mr. Kennedy.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, I move second reading of Bill number 46, "The Weed Control Act, 1950."

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker is this also going to the agricultural committee?

MR. KENNEDY: Yes. All of these are going down to committee.

This makes provision for advertising to notify the owners about noxious weeds, which are around large centres, where it is almost impossible to make a persnnal survey of each lot, so we recommend going back to the old practice of advertising in the large centres,where the noxious weeds are found.

MR. J.B. SALSBERG (St. Andrew): Does that include the ragweed?

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 27.

RESTRICTED AREAS FOR SEED POTATOES

CLERK OF THE HOUSE: 27th order, second reading of Bill number 47, "An Act to provide for the establishment of Restricted Areas for Seed-potatoes," Mr. Kennedy.

HON. T. L. KENNEDY (Minister of Agriculture): Mr. Speaker, I move second reading of Bill number 47, "An Act to provide for the establishmnnt of Restricted Areas for Seed-potatoes."

This is a Bill, Mr. Speaker, to enable 80 percent. of the growers of any township or any area in a township to petition the municipality, and the municipality can declare that seed potatoes can only be grown commercially. That is the policy that obtains in New Brunswick, and which our growers wanted in force here.

MR. HARRY C. NIXON (Brant): Mr. Speaker, I am not clear about this. Seed potatoes can only be grown commercially?

MR. KENNEDY: The commercial potatoes can only be grown for seed. If you want to have them in a backyard, that is different. It is like the restricted areas we have in some localities in regard to our live stock.

A full explanation will be given of this in the agricultural committee.

Motion agreed to; second realingof the Bill.

HON. LESLIE M. FROST (Prime Minster): Mr. Speaker, I move that you do now leave the chair and the House resolve itself into Committee of the Whole, for the consideration of certain Bills.

Motion agreed to.

-- House in committee; Mr. Patrick in the chair.

HON. LESLIE M. FROST (Prime Minister): Order number 16.

APPEALS TO HIS MAJESTY IN HIS PRIVY COUNCIL

CLERK OF THE HOUSE: 16th order, house in committee on Bill number 36,"An Act respecting appeals to His Majesty in his Privy Council," Mr. Porter.

On section 1.

(Page B-21 follows)

MR. HARRY C. NIXON (Grant): Mr. Chairman, may I ask the hon. Minister (Mr. Porter) if the federal Act is over-riding, or would the Province still have the right to carry appeals to the Privy Council if this Act were not passed.

Hon. DANA PORTER (Attorney-General): Well, Mr. Chairman, that question would be answered by a recent decision of the Privy Council itself.

You may recall, Mr. Chairman, that not very long ago there was a reference before the Supreme Court of Canada, if I recall correctly, in which the question was raised as to whether the Federal Parliament had the right to pass legislation to abolish appeals to the Privy Council generally.

It was decided -- and this was upheld by the Privy Council itself -- that the Parliament of Canada had that right.

Following that decision, the Parliament of Canada passed an Act abolishing appeals to the Privy Council, and the question has never been considered as to whether there was some independent right in the Province. As a matter of fact, I think the result of the case decided by the courts, and finally by the Privy Council itself, clearly established the right to abolish appeals, and the right to abolish appeals was left in the hands of the Parliament of Canada itself.

This Bill merely gets rid of certain references in Acts of our own providing for certain procedure in connection with appeals to the Privy Council. Some of

these were written originally on the assumption there might be appeals to the Privy Council, and we are getting rid of that feature. We have never questioned ourselves, as a Government, that appeals to the Privy Council have been abolished.

MR. NIXON: I recall some years ago, Mr. Chairman, there was a Bill brought into this House to abolish appeals as far as the Province of Ontario was concerned, and there was no question about our jurisdiction at that time, although the House opposed it most violently. My understanding was that the Province had certain inherent rights which were carried after Confederation about appeals to the Privy Council, which the Dominion Act could not over-ride.

(Take C-1 follows)

MR. PORTER: Well, of course, that might have been an opinion that was held at that time, but the matter I think was decided -- I would not like to speak too dramatically on this because sometimes when these very skillful points are raised we find them reviewing decisions which have been handed down. There may be some other aspect to them which has not been considered, but I think we are prepared to take it that the point was finally decided by the case which went to the Privy Council recently that the power rested in the Parliament of Canada to abolish appeals to the Privy Council. As far as the Province is concerned, our jurisdiction is simply to pass legislation within our sphere of jurisdiction, and appeals that go to the Privy Council would either go from citizens of this Province or citizens of some other Province involving matters that might be related to some legislation, provincial or federal legislation, or the common law, whatever it may be. I do not know that it need now be said the point has been decided by the Privy Council at the time the hon. member for Brant (Mr. Nixon) speaks of. There may have been some views along the lines that we dealt with at the time, but at the present time, I think I would have to take it that the appeals have been abolished, and it is perfectly constitutional to do so, and we are simply following on the assumption that it is right.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Chairman, the point raised by the hon. member for Brant (Mr. Nixon) is a very interesting one. But whatever

the scope of the records which went originally to the Privy Council which decided that Privy Council appeals could be abolished, the situation as I understand it is that there was federal legislation in the Privy Council Appeals Act which is repealed by this Section 1. The Federal Act and the federal facilities for appeal having disappeared, I think, whether we want Privy Council appeals or not, it would be entirely in right, if not absolutely necessary, to repeal the Provincial Act. Our view is that it ought to be done, and that this country has reached a status where our higher court of appeal should be the Supreme Court of Canada. I almost expected the hon. Attorney-General (Mr. Porter) to say a word of requiem on the death of the Privy Council appeals, but perhaps he felt the less said about it the better.

MR. PORTER: Of course, Mr. Chairman, I did not think that was my business, because we have no jurisdiction to decide whether it should be abolished or not, and perhaps the hon. Leader of the Opposition (Mr. Jolliffe) would expect that I would use some flowery language about the matter. Well, I generally do not use flowery language.

MR. FROST: Mr. Chairman, I imagine that the question that the hon. member for Brant (Mr. Nixon) was hardly directed to the fact that the power of the Privy Council in deciding cases and making decisions was very far-reaching in constitutional matters. The Privy Council decisions made very far-reaching constitutional amendments with our Dominion-Provincial conferences. I think that is one of the points the hon. member (Mr. Nixon) had in mind. We

found out at the last conference that Privy Council appeals were certainly much more far-reaching than was thought to be the case by the people of Canada, and by the Provinces. Now, of course, the success of the present situation depends upon the breadth of the new Supreme Court of Canada, whether it is broad enough in its constitution, and to take care of statutory matters. Like the hon. Leader of the Opposition (Mr. Jolliffe), I would dislike to think that we did not have the point of view to decide these matters ourselves. I think that the Privy Council in the past has been an important statutory bulwark for Canada, in fact, for Commonwealth countries, but as I said earlier this afternoon, we are living in 1950, and one wonders what might have happened if the course of the last war had been different, particularly in the month of September, 1940. What would have happened? We would have had to settle all these questions ourselves.

Now, I think it is a right and proper thing for us to settle them ourselves in a Canadian fashion when we have the opportunity of doing so. Not that I anticipate we will have another September, 1940, but afterall, it seems to us on this side of the House, that it is commonsense we should do that. I would say that tied up in this problem is the success of the present Dominion-Provincial conference which I unhesitatingly hope, Mr. Chairman, will be a success. I hope we will be able to work things out in a manner which will fall to the judgment of our people, and which will contain all of the necessaries in connection with the Constitution.

MR. JOLLIFFE: With reference to what the hon. Prime Minister (Mr. Frost) just said, and with which I agree, there is one reservation which perhaps should be made. Dominion-Provincial conferences have been affected, yes, by Privy Council decisions. Not only that, but they may be affected in the future by past decisions of the Privy Council. It would be wrong to suppose that the acts of the Privy Council in the constitution of this country will disappear with repeal of this legislation. The decisions are there, and they are going to be very important decisions for a long time to come, and, with the greatest respect to that body, I think that on occasion they have not helped to enable this country to be as united as it ought to be.

Now, the task of people attending Dominion-Provincial conferences is one of statesmanship and not of law. But I think it is well recognized that the decisions are there and the force of precedence will continue to make these decisions very important for a long time to come.

MR. FROST: I think the hon. Leader of the Opposition (Mr. Jolliffe) will agree in regard to decisions that were made by the Privy Council, that it is altogether desirable when the Supreme Court of Canada now makes the decisions, that all the old case laws should not be destroyed; in other words, a type of stare decisis that they should carry on, and with the benefit of those decisions in the past, while I would not say they would be necessarily binding upon the Supreme Court as a matter of strict law, nevertheless, if they were distinguished

or altered, there would have to be reasonable grounds which would carry with it the judgment of good men before these things could be changed. But remember this, in 1950 we have 83 years of case laws behind us in connection with various interpretations of the British North America Act, and upon these interpretations has been built business and has been built our method of doing business in the Province and the municipalities.

Now, I do not think that the Government of Canada anticipated anything in the form of a revolutionary change of attitude in connection with these decisions, and I think the hon. Leader of the Opposition (Mr. Jolliffe) would agree it is desirable that the Supreme Court of Canada should recognize the principle of stare decisis and should carry down these decisions into the determining of laws, and if amendments to our Constitution are required, we hope to have the constitutional machinery to affect them, and change it as the needs of a growing nation make it necessary.

MR. JOLLIFFE: I do not object to stare decisis at all in judges, but there are other quarters where I might sometimes object to it. As it was put by a friend of mine, "crash or crisis, I am stare decisis."

MR. PORTER: Mr. Chairman, in view of the fact that this point has been raised, I might refer to the Privy Council Appeals Act that is being repealed by this Act. It provides for the procedure in appeals to the Privy Council, and it also provides a limitation on the sort of civil actions that might be brought before the Privy Council. It provides where the matter in controversy

in any case exceeds the sum of four thousand dollars, as well as in any case where the matter in question is as to the taking of annual rent was referred to His Majesty in his Privy Council. That is simply what that Act provides, and apparently it was implied at that time that this Legislature has jurisdiction to decide cases involving less than four thousand dollars. These cases cannot go to Privy Council. Whether that is right or not, I do not think we are asked to determine in view of the fact that the Privy Council has decided.

I think I should refer to the decision of the Privy Council on this point, handed down in 1947. A Bill was introduced in the Canadian Parliament in 1939. As a matter of fact, as I recall it, it was the late Mr. Cahan who introduced that Bill, at that time one of the greatest jurists that ever lived.

MR. JOLLIFFE: But now a good lawyer.

MR. PORTER: So our position is --

MR. B. E. LEAVENS (Woodbine): The only good lawyer is a dead one.

MR. PORTER: After all, we have a long history and many of us might be dead, but we are coming along very nicely.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: It was a Bill introduced in 1939, and intituled, "An Act to Amend The Supreme Court of Canada Act." It was provided that:

> "The Supreme Court shall have, hold and exercise exclusive ultimate appellate civil and criminal jurisdiction within and for

"Canada; and the judgment of the court, shall, in all cases, be final and conclusive, and that notwithstanding any royal prerogative or anything contained in any Act of Parliament of the United Kingdom or any Act of the Parliament of Canada or any Act of the Legislature of any Province of Canada or any other statute or law, no appeal shall lie or be brought from any court -- within Canada to any court of appeal, tribunal or authority, by which, in the United Kingdom, appeals or petitions to His Majesty in Council may be ordered to be heard."

It was held that this Bill was wholly intra vires of the Parliament of Canada, which accordingly was competent to enact in regard both to appeals from the Supreme Court of Canada itself and appeals direct from the provincial courts to His Majesty in Council, and that the Supreme Court should have exclusive and ultimate appellate, civil and criminal jurisdiction.

As to appeals from the Supreme Court itself, I do not think I need to refer to the other things that are in there, which gives the substance of that very important decision, and in view of that, we now think the various statutes in force in this Province referring to appeals to the Privy Council and providing for procedure should be repealed. That is what we mean by this Bill.

Sections 1 to 3 inclusive agreed to.

On Section 4.

MR. JOLLIFFE: I supppse there are very few pending appeals?

MR. PORTER: Well, I could not say off hand how many there are, but I know there is the margarine appeal, and it is conceivable there may be an appeal from the rent control decision, when it is handed down. I think there would be a right of appeal because that was initiated prior to the passing of the Act. Of course, there is no way of knowing as to how many appeals there may be to the Privy Council, because there is no time limit in most cases for appeal to the Privy Council, and there may be some cases that have been decided by our courts which may still go to the Privy Council. It is rather difficult to answer that question. I think that is something we do not have to worry a very great deal about at this stage.

Sections 4 to 6 inclusive agreed to.

Bill No. 36 reported.

HON. LESLIE M. FROST (Prime Minister): Order No. 17.

THE COMMORIENTES ACT

CLERK OF THE HOUSE: 17th Order, House in Committee on Bill No. 37, "An Act to Amend The Commorientes Act, 1940". Mr. Porter.

Sections 1 to 4 inclusive agreed to.

Bill No. 37 reported.

Hon. LESLIE M. FROST (Prime Minister): Order No. 18.

THE CROWN ATTORNEYS ACT

CLERK OF THE HOUSE: 18th Order, House in Committee on Bill No. 38, "An Act to amend the Crown Attorneys Act, 1949"; Mr. Porter.

Sections 1 and 2 agreed to.

Bill No. 38 reported.

Hon. LESLIE M. FROST (Prime Minister): Order No. 19.

LOAN AND TRUST CORPORATIONS ACT

CLERK OF THE HOUSE: 19th Order, House in Committee on Bill No. 39, "An Act to amend the Loan and Trust Corporations Act, 1949"; Mr. Porter.

Sections 1 and 2 agreed to.

Bill No. 39 reported.

Hon. LESLIE M. FROST (Prime Minister): 20th Order.

PARTNERSHIP REGISTRATION ACT

CLERK OF THE HOUSE: 20th Order, House in Committee on Bill No. 40, "An Act to amend The Partnership Registration Act," Mr. Porter.

Sections 1 to 3 inclusive agreed to.

Bill No. 40 reported.

Hon. LESLIE M. FROST (Prime Minister): 21st Order.

SURVEYS ACT

CLERK OF THE HOUSE: 21st Order, House in Committee on Bill No. 48, "An Act to amend The Surveys Act", Mr. Scott (Peterborough).

Sections 1 and 2 agreed to.

Bill No. 48 reported.

Hon. LESLIE M. FROST (Prime Minister): 22nd Order.

WESTERLY LIMIT OF HINCKS LOCATION

CLERK OF THE HOUSE: 22nd Order, House in Committee on Bill No. 49, "An Act respecting the Westerly Limit of Hincks Location in the Township of Johnson", Mr. Scott (Peterborough).

MR. C. C. CALDER (London): Mr. Chairman, when the hon. Minister (Mr. Scott) introduced this Bill, I made a note. He said something to the effect that "two owners at the south end might have to be compensated." Would you be good enough to enlarge on that, because it does not appear from the bill how or why they should be compensated.

Hon. H. R. SCOTT (Minister of Lands and Forests): Mr. Chairman, I believe that presentations were made at the time of the hearings. I might say for the benefit of hon. members of the House the hon. Leader of the Opposition (Mr. Jolliffe) raised some question of publicity having been given to this Bill, or to this proposed line, and I sent both to the hon. Leader of the Opposition (Mr. Jolliffe), and the hon. member for London (Mr. Calder) a copy of the statement, showing it had been advertised in four editions of the local paper there. Letters were received from the various parties interested in it, but there are four properties which were not divided at the existing census. The census jogs and does not take in that portion of their property, and it is for that small portion of their property which was not delineated by the survey of 1877, for which they will have to be compensated, and the Department will have to do it, if necessary, by

arbitration.

MR. CALDER: Compensated by whom?

MR. SCOTT (Peterborough): By arbitration, if necessary.

MR. CALDER: Out of public funds or private funds?

MR. SCOTT (Peterborough): It would have to be out of public funds.

Sections 1 and 2 agreed to.

Bill No. 49 reported.

Hon. LESLIE M. FROST (Prime Minister): Mr. Chairman, I had contemplated going ahead with Order No. 15, "An Act to incorporate the Ontario Municipal Improvement Corporation," but the hon. Minister of Municipal Affairs (Mr. Dunbar) was called out, and I think I will leave that, because there may be some explanations which he would like to make or which some hon. members would like him to make personally.

I move that the Committee rise and report certain Bills.

Motion agreed to.

The House resumes, Mr. Speaker in the Chair.

MR. T. L. PATRICK (Middlesex North): Mr. Speaker, The Committee of the Whole House begs to report certain Bills and asks leave to sit again.

Motion agreed to.

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, as I intimated yesterday, some of the hon. members of the House were anxious that our adjournment should be a bit earlier this afternoon, and I had made a target of four o'clock. We have reached the end of

the Government Orders with which we can proceed, other than Order No. 15, which we are holding over. I might say tomorrow we will proceed with addresses in reply to the Speech from the Throne. The hon. member for Grey South (Mr. Oliver) has asked for an adjournment at the conclusion of the Debate by the Government side. It is possible we may proceed with other business tomorrow afternoon, but if it appears we can clean it up on Friday afternoon, we will adjourn at the end of that period tomorrow afternoon.

Mr. Speaker, I move the House do now adjourn.

Motion agreed to.

The House adjourned at 3:45 o'clock p.m., to reconvene Thursday, February 23rd, 1950, at 3:00 o'clock in the afternoon.

VOLUME 6.

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-THIRD DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK P.M.

Toronto, Ontario
Thursday, February 23, 1950
3.00 o'clock p.m.

And the House having met.

Prayers.

MR. SPEAKER: Receiving Petitions.

Reading and receiving Petitions.

Presenting Reports by Committees.

Motions.

Introduction of Bills.

Orders of the Day.

MR. H. A. REYNOLDS (Leeds): Mr. Speaker, I wish to make a correction of my speech of Tuesday last, inasmuch as I said that five hon. members of the Legislature had passed away, rather than seven.

HON. LESLIE M. FROST (Prime Minister): Order No. 8.

THRONE DEBATE

CLERK OF THE HOUSE: Order No. 8, resuming the adjourned debate on the motion for the consideration of the speech of the Honourable the Lieutenant Governor at the opening of the Session, Mr. Frost.

SOME hon. MEMBERS: Hear, hear.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I need hardly say that the House listened with pleasure and interest to the hon. members who moved and seconded the address in reply to the Speech from the Throne. It was a pleasure to hear them speak with so much fluency and confidence and while there was much they said with which we here could agree and much they said with which we here could not agree, it was gratifying to know that two articulate hon. members have been added to this Assembly. In addressing ourselves to the Speech from the Throne which was read in this House a week ago today by the Honourable, the Lieutenant Governor, I think that all hon. members of this House are aware that we meet at

a time of anxiety for the people of the whole world. That is, perhaps, a sobering thought but it is one from which we cannot escape. The province of Ontario, this government and this legislature are not unlimited in their powers or in their potentialities but, at the same time, the province of Ontario is not an island, it is a part of the world today and that world has become a smaller world than it formerly was. All of us are conscious of the overshadowing importance of developments like the atom bomb, and now, the hydrogen bomb. What gives it such importance is that the world today is divided in two, and it is no use for any hon. member of this house to pretend that that is not a fact. More than that, the world is not only divided in two, but the totalitarian forces which are represented by Soviet power today have increased their power and their jurisdiction since this House last met. Let me give an example. As some hon. members of the House know, although my parents and my grandparents were born and brought up in this province, I was, myself, born in western China. Since this House last met, the city where I was born, the area in which I spent part of my boyhood, has come under the Soviet power, not entirely by force of arms because I am well aware that the military power which is now occupying all of China was preceded by the breakdown of government and the disintegration of the former society of China. But, the result today is the Soviet power extends from Archangel to Canton, about one-third of the people in the world live under that power today in a very large part of the land area of the world.

Now, I say these things because I think it is well for us who are hon. members of the Ontario Legislature, who are not

delegates to the United Nations, nor are we members of the parliament of Canada, but, I think, it is well for us at all times to remember that the world today has found the trend of territorial power has not been in favour of a free world, but in favour of totalitarianism. Whether we like it or not, the major task of world statesmanship in our generation is going to be how to avoid open conflict, an armed conflict, a war between what is called the East and what is called the West.

Now, it may seem that that issue is of such overwhelming, such overshadowing importance, that the business to which we address ourselves here might appear somewhat trivial. I do not agree. The business to which we address ourselves here is not trivial, and we have to keep in mind at all times that the result of the contest for the loyalty of the people of the world between the East and the West, and all they represent, the result of that contest may well be decided by what is done at the local level of government, or what is done at the provincial level of government, rather than what is done elsewhere. I think I should say this, that I wish -- I have not the power to implement it -- but I wish it were possible for the people who live behind the Iron Curtain to understand that the overwhelming majority of the people in the so-called "free world" are united in this determination, the determination that totalitarianism of the Communist form or any other form is not going to dominate this world.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: I say I wish it were possible for the people behind the Iron Curtain to understand that at least the vast majority of the people of the free world are united.

I wish, also, Mr. Speaker, it were possible for everyone in the so-called "free world" to understand that while we may be united about some things and while we may be divided about other things, it is altogether possible that we may lose what has been termed, "the cold war" because of certain weaknesses which go to the roots of our society. If we in the western world fail to solve what you might call the great food paradox, the paradox of food surpluses in the western hemisphere and food shortages in Europe, if we in the western world fail to solve a problem like the sterling dollar jam or deadlock, if we in the western world fail to establish a better measure of farm security, of security for people on the land than we have done in the past; if we fail to grapple effectively with the unemployment problem; if we fail to implement an effective program of social security; if we fail to manage better our natural resources, and if we fail to bring under control an issue like that of racial discrimination which is the shame of many countries in the western world today; if we fail to master our constitutional deadlocks and achieve better co-operation between governments at different levels, whether they be Dominion government, provincial governments, or municipal governments, or if our democratic institutions of which we are so proud should decline in their influence, in their health and in their effectiveness, if these things happen, Mr. Speaker, we of the western world will be weak and we will be weak not only in a military sense but we shall be weak in an economic sense. We shall be weak socially and we shall be disqualified to give any moral leadership to the people of the world.

Now, many of the weaknesses to which I have referred

will be before this House at this Session. I am not going to contend here that it is within the power of the government of Ontario or the Legislature of Ontario by a wave of the hand to dispose of every problem facing us today. There will be no such argument advanced by this group. However, there are certain measures which do lie within the power of the government and within the power of this legislature. When you hear it said, for instance, that we are encountering economic difficulties which are entirely beyond the control of this province, you have heard only part of the truth; it is partly true, it is partly untrue. The real question is not whether the government can, of itself, cope with economic difficulties which are international in character, that is not the question before the House. The question before the House is, and will be at this Session, whether the government is doing what does lie within its power to meet such difficulties, and there is a province, there is a field within which the government of Ontario and the Legislature of Ontario do have jurisdiction, and are able to take effective action.

I mentioned a moment ago the food paradox. This is a question, Mr. Speaker, about which many, many people in our country are deeply disturbed and not entirely for selfish reasons. It is not only because some of our people have been losing their markets that they are disturbed about the food paradox. They realize that there is something wrong, there is something lacking in a society which is unable to make the necessary adjustments, which is unable to convey the surpluses in one area to the area where a shortage exists. That is particularly the case when we know that one of the areas in which

we produce food surpluses is in the senior Dominion, and, indeed, the senior province of the Commonwealth, and another area in which there is a food shortage and growing difficulty about payment for food imports, is the United Kingdom, a member of the same Commonwealth, the traditional leader of the Commonwealth. If between the United Kingdom and Canada we cannot solve the food paradox, what hope is there that we shall be able to solve that paradox with respect to areas which are even more cursed by hunger today than the United Kingdom. The food paradox, of course, brings into focus the whole problem of the sterling dollar crisis. There is reference made to this question in the Speech from the Throne, reference to the non-convertibility of sterling. Now, may I say that I regret and I am sure other hon. members regret some of the idle chatter which has been heard from people in Ottawa who ought to know better about this question. We have heard charges that the British people or their government, apparently because of some whim or some prejudice, decided to purchase their food elsewhere rather than in Canada. What nonsense. Surely people in high places ought to know better than to talk such nonsense. It is not a matter of transferring their business from one place to another because of a whim or a prejudice. What has happened, as most of us realize, is that the British people cannot go on indefinitely buying food from a food producing country which buys so little from them.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: That is the problem and it is inevitable in that situation that sooner or later they are forced to transfer their purchasing to areas which buy more from them, or areas in which for reasons of exchange, it is easier for them to obtain credit.

Now, I am not going to say very much about the sterling dollar crisis which I am well aware is primarily the responsibility of the Federal government, but I repeat that the government of Ontario is not entirely without responsibility. We are entering a period, Mr. Speaker, in which our people have to adjust their thinking with respect to our foreign trade. We have formed the habit over the years of purcahsing very heavily in the United States, and we have taken it for granted that we could sell very heavily overseas. Now, to a large extent that is a matter of habit and it is deeply ingrained in all our people, and I am afraid in our governments, also. I think you are going to find from now on this is going to be a very important issue. In our own province, more and more people have got to face up to it. We cannot continue forever to buy heavily or as heavily as we have from a country which will not buy from us unless the product is non-competitive in their market and at the same time sell our produce to countries from which we do not buy. It is not just a matter for the hon. members at Ottawa to be concerned about, it is a matter for everybody to be concerned about, every citizen and every government including our provincial and our local governments. Every day of the year there are decisions made about purchases, and most of the time the decision is to buy from the closest source, and the closest and most convenient source happens to be the United States. Now, I have no prejudice against the United States, I have a great deal of admiration for their people, and I think the facts of geography

tell us that we shall always be closely associated with them in a thousand and one different ways, but that is not the point.

There exists in that country today a mentality which is willing to purchase abroad if the product is not produced in the United States. They are willing to take from us, for instance, our nickel and our newsprint; they are willing to take from the British certain products which they do not produce themselves, or with which they do not themselves compete, but where competition exists, they are not willing to buy from us, they are not willing to buy from the British and the result is a disequilibrium which I do not see being changed in the near future. I doubt very much if anybody else can offer reasons for expecting that it will soon be changed. Now, what are we going to do about it? I do not think it is sufficient to berate our Federal government for its failure to do anything about it. For instance, to complain about the premature application of the non-discriminatory clauses in the Geneva agreement is not enough. What are we doing about it, and to be quite specific, I would like to know what the government of Ontario is doing about it? There is no doubt in my mind that one of the largest purchasers in Ontario, if not the largest, is that great aggregation of business which consists of the government of Ontario and all its agencies. What has been done by this great purchaser to increase our imports from the sterling area and to bring our exchange position into better balance? That is something about which I see nothing in the Speech from the Throne; it is something about which I think we should be fully informed at this Session. When I speak of the Government of Ontario, I mean to include all its agencies and all bodies coming within its scope and jurisdiction such as the Hydro Electric Power Commission and some of the great projects which are now being undertaken with the aid of grants from our.....

provincial government. Is any effort whatever being made to divert our purchases to the sterling area? Because, if there is none being made, we are certainly encouraging the decline of farm income in this province, we are encouraging the growth of unemployment which is the direct result of the breakdown of our overseas markets. I say we must face that problem at the Dominion and provincial levels and at the level of the private citizen because I can assure you it is going to be one of our big headaches from here on out.

As I have suggested, one result of the sterling-dollar crisis has been a decline in farm income in Ontario. There are some well chosen references in the Speech from the Throne to the work of the Department of Agriculture and as far as they go those references, I think, are well founded.

(Take B follows)

but we find nothing in the Speech from the Throne which offers hope that the government of Ontario is prepared to do anything definite to meet the difficulty in which rural Ontario finds itself today. Everybody knows that farm income is falling; everybody knows that the farmers of this province are deeply disturbed about this situation; everybody knows that the costs of farm production are still high. The farmer is now beginning to sell in a buyers' market, but he is still buying in too many cases in a sellers' market, and that is pressing him between two conflicting forces.

The farmers of this day are much better organized, and have been in recent years, than in former times but still the problem of marketability is facing them, because they experience today not only declining prices, but the problem that in some cases, and some times, they have produce which they simply cannot sell. That is an acute form of the food surplus problem which we experienced very often in the years before the second World War, and which we are beginning to experience today. And it is not only farmers who are concerned with it. It is a matter I think of which there is growing appreciation throughout the whole population. There are two facts: one, that when farm income declines, there is an almost immediate effect upon employment and the prosperity of the people in our cities and towns. I think that is better understood today than it ever was, and I think that it is a good thing that it is better understood.

Secondly, it is better appreciated than ever before that the coming of recessions, or even depressions, is almost invariably heralded by a decline in farm income, that almost invariably the first chapter of this tragedy is the breakdown of farm prices and farm income. It is not very surprising that almost immediately after a decline in farm prices---what I hope is not merely a preliminary decline, but which may be a preliminary decline in Ontario--has come

a serious growth of unemployment.

Now, there are different views about the significance of the unemployment figures today. We have all read of them and have heard the arguments. There are references to them in the Speech fromthe Throne, and I notice that the government of Ontario takes a much less serious view in Ontario than the opposition---including the official opposition at Ottawa.

Only a few days ago the hon. leader of the Opposition (Mr. Drew) at Ottawa, had this to say about the unemployment situation. Speaking in the House of Commons of this week, the hon. leader of the opposition (Mr. Drew) said, with reference to unemployment:

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

Now, even recognizing that unemployment in some provinces is more serious than it is in Ontario, I say to the government of this province that the matter should be taken just as seriously as it was by the opposition in Ottawa, and we should be told in much more explicit terms than in the Speech from the Throne what, if anything, the government of Ontario proposes to do about it.

This question of unemployment raises other questions, because, as was pointed out at Ottawa, a large number of unemployed are not people who are eligible for Unemployment Insurance. They are not covered. Unemployment has been particularly bad in certain industries, such aslogging, where most of the people concerned do not enjoy the protection of the Unemployment Insurance

Act. The result is that large numbers of unemployed are not eligible for Unemployment Insurance benefits, and the number of unemployed is certainly much larger than is disclosed by the figures for unemployed benefit claimants. Therefore, we have to ask this question, What provision is made or is any provision being made for those who are not eligible for Unemployment Insurance?

The situation here is discouraging. It is discouraging, I think, to most people, not only to the men who are concerned, because we have not a relief system in Ontario today worthy of the name. This perhaps is not generally known, but actually there is less provincial provision for unemployment relief in Ontario today than there was fifteen years ago---less than there was then. And in that respect it is a more backward system than it was fifteen years ago. Fifteen years ago, the provincial government paid a share at least of all unemployment relief costs, but today the government is paying, as I understand it, only one half of the cost of relief for unemployables, for men classified as "unemployable," and if the men, like many in the logging industry and some other industries, are not eligible for Unemployment Insurance, and if they are neither unemployable nor eligible for Unemployment Insurance benefits, the provincial government is contributing nothing at all.

The idea I received from the remarks of the hon. Prime Minister (Mr. Frost) yesterday when he repudiated all cash relief was that they will have to get along as best they can until the Spring or Summer, when the public works will probably make it possible for most of them to get jobs. In the meantime, what will they do?

I have noticed,---and I suppose other hon. members in the House have noticed---in recent years the increasing number of men who go about on the streets asking for money for a cup of coffee

or some other purpose. That, Mr Speaker, is public begging---that is public begging. It is to be found in all the backward countries, Mr. Speaker. It is one of the distinctive marks of an uncivilized country, the prevalence of public beggary, and it is beginning to come back to the streets of the cities and towns of Ontario. It has come back because of lack of proper provision for either the employment of these men or a relief system.

I know that in prefacing the announcement yesterday about highway work, the hon. Prime Minister (Mr. Frost) implied that the government's proper contribution to thisproblem is to sponsor a public works program. Highways and public works programs are not very active at this time of the year. It is a Winter problem which has grown up very rapidly in recent weeks and in recent months, and I am regrettfully forced to conclude from what the hon. Prime Minister (Mr. Frost) said yesterday, that the government proposes to do nothing about it, but to continue building up this insignia of backward, uncivilized society, namely, beggary on the public streets, something for which Ontario, one of the most fortunate areas in the world should be heartily ashamed at any time, either in Winter or in the Summer.

Now, that brings me to the announcement made here yesterday and subsequently made before the meeting of the Goods Roads Association. I suppose the theory of the announcement is that since people are becoming disturbed about the growth of unemployment, it is about time the govdrnment made known the plans it has had in mind for some time, namely, plans to spend more money on our roads and highways and some public building.

This is no secret, and it is nothing new. For a number of years this province spent very little on our highways---relatively speaking, very little---for obvious reasons, and I am not criticizing the government for the curtailment of those expenditures during the war, or even during the years immediately after the war

when, as the hon. Prime Minister (Mr. Frost) said yesterday, there was an acute shortage of very vital materials, and when hydro had to have priority for cement andhouse builders had to have priority for labur and so on. With that we do not quarrel, but we should get yesterday's announcement in the proper perspective. Let us see what actually has happened.

Yesterday there was an announcement of an additional $150,000,000 to be spent over the next five years. That sounds as though the decision had been taken to spend an unprecedented sum on highway development. Now, what is it in actual fact?

The fact is, Mr. Speaker, that the Department of Highways, administered by the hon. Minister (Mr. Doucett) who sits beside the hon. Prime Minister (Mr. Frost) is not only a great spender, but his department is one of the government's great revenue producers.

There has been a proposition,about which we have heard a great deal inthe years gone by, that the gasoline tax, at least, was collected for the purpose of building and maintaining better roads and highways. The fact of thematter is that the Department of Highways, for a number of years, was producing far more in revenue than was being spent by that Department. At the time there were good reasons for it. But it all adds up to this, Mr. Speaker; the Progressive Conservative government took office in August 1943. We now have the public accounts down to March 31, 1949, so we are able to look at the figures for six full years, during all of which time---excepting possibly three months---the Progressive Conservative government was in office.

I will not weary the House with all the figures, but here is what happened, and I think this should be understood so we will not be carried away with the idea that the $150,000,000 over the next five years is going to solve the unemployment problem.

Inthe six years, 1943-1949, ordinary revenue through the Department of Highways was $285,082,108.50. The odd fifty cents was my contribution to the Unsatisfied Judgments Fund, which is a very poor thing, but that is the fifty cents I put in.

SOME hon. MEMBERS: Oh, oh.

MR. JOLLIFFE: What was spent on ordinry account during those six years, so far as the Department of Highways was concerned, totals $153,946,216.76. There is a substantial difference between those two figures.

HON L. M. FROST (Prime Minister): How much on capital?

MR. JOLLIFFE: I am coming to that. There is a substantial difference, and let us see how the difference compares with what was spent on capital account.

The total in those six years spent on capital account amounted to $83,338,381.54.

Now, Mr. Speaker, the excess of revenue over ordinary expenditures in the six years was over $131,000,000. The capital disbursements were a little over $83,000,000. The difference between the two is about $48,000,000. In other words, the government has $48,000,000 in the "kitty"---

MR. FROST: Did the hon. leader of the opposition (Mr. Jolliffe) include the debt service for past debts? The previous administration left a few bills which we had to pay.

MR. JOLLIFFE: Oh yes, the government had some bills to pay, but they were not mentioned yesterday. What I am endeavoring to do is to get those figures into perspective, so we will understand the government is not undertaking anything new in the building program, except what the government has to do in catching up with expenditures for the roads needed in province.

As I say, there is a discrepancy there of about $48,000,000. I am not laying down any hard and fast rule that every cent and

every dollar taken in by the Department of Highways should necessarily be spent on roads. I am, however, pointing out that what the government has done is to realize a profit over those six years of $131,000,000---disregarding capital expenditures---and taking into account capital expenditures, ha a profit of over $48,000,000.

The hon. Minister of Highways (Mr. Doucett) has certainly been making money. It has certainly been rolling in. As I said at the outset, I am not criticizing the curtailment of expenditures some years ago.

Capital disbursementsrose very rapidly in 1947; they rose a little in the next year, a very little in the year after that. Last year they were pretty close to $30,000,000.

Now, we are told the government proposes to spend on capital account about $30,000,000 per year in addition, over a five-year period. I do not quarrel withthat. I think that investment is probably justified. I think it is probably a very sound investment, but may I point this out, for what it is worth? Some years ago a Royal Commission in the United Kingdom investigated this question and reported that something more should be spent on roads over and above what is taken in from gasoline tax, automobile licenses and the like. That Royal Commission recommended, in fact, that about two-thirds of the expenditures should be by direct tax on the users of the roads; the other one-third should come out of the public treasury, giving as the reason, that other taxpayers, apart from the users of the roads as such, benefitted from the existence of those roads. I suppose they had in mind such people as those engaged inthe tourist trade and the like. Whether you think that applies in the province of Ontario or not, it is a fact that all the people of this province have an interest in the maintenance and expansion of a system of good roads, whether it has direct reference to motor vehicles or not. That is particularly

true in Ontario, where, as the government so often tells us, tourism is an increasingly important part of our economy. The main point is that when they tell us, "We are going to spend $150,000,000 in a vast road-building project, over the next five years," they are not telling us anything new; they are not telling us anything very sensational, except they are proceeding with the necessary road-building program. They are not putting forward a program which will solve the unemployment problem. I do not think this program will come up to meeting Ontario's obligation with respect to public investment.

I know, Mr. Speaker, it is customary for opposition speakers to rant against the government of the day for its extravagances, and its spendthrift record. I know that is customary. It is one of the duties of the opposition to expose unnecessary expenditures whenever necessary. But this is a larger issue, because changes have come over our economy in recent years. The change is that governments today are much more than bookkeepers; they are much more than the administrators of a few odds and ends of a few services to society. Governments today by their control over large expenditures, exercise a very important influence on the health of the whole economy. This idea was implicit in the federal government's proposals at the Dominion-Provincial Conference in 1945. At that time the idea was received with doubt in some quarters. But it does not matter what your idealogy is, I suggest to the hon. Prime Minister (Mr. Frost) who is also the hon. Provincial Treasurer, that whatever our personal preference may be, whatever our political or economic theories may be, it is a fact today---whether we like it or not---that governments, provincial and municipal, have taken on such responsibilities and are spending and collecting so much money that they are exercising a very important influence on the course of the country's economic life. There is no escaping that. Whether we like it or not, it is a fact.

When you have the provincial government of Ontario, with a budget of close to $300,000,000, not including hydro and other enterprises and when you have a government at Ottawa with a budget much larger, representing a very important segment of the total national income, those governments are bound to infuence the economic course, whether we like it or not. The government of Ontario has to consider, in the light of that fact, whether a public investment program on highways and a few public buildings is commensurate with its responsibilities, at a time when production and employment is beginning to decline.

The honl Prime Minister (Mr. Frost) told usyesterday that the Federal authorities estimate a gross national product this year of $16,250,000,000, as compared with $16,000,000,000 last year, an increase, I think, on the order of about one and one-half percent.

(Page B-10 follows)

But when you consider the increase in population of this country, it is not an increase at all, it is very definitely a levelling off or possibly a decline in the gross national product. It would indicate, at the least, a levelling off, and, at the worst, the beginning of a depression. The truth probably lies somewhere in between.

I offer a suggestion for the consideration of the Government. Is it not possible that if a public investment program can be used to defeat recessions or depressions, if there is anything in that theory, is it not possible that such measures can be more effective at the beginning -- at the outset -- of your difficulties, than at a later time, when depressive forces will be much stronger and more powerful? Once the economic system goes into a tailspin, it is difficult to stop the downward swing, and before it goes into a tailspin, I suggest to the hon. Prime Minister (Mr. Frost) that a public investment program will probably be much more effective now than at a later date.

No doubt that is a question to which he has given a great deal of thought, but there is one very disturbing thing -- at least, it disturbs me -- and that is, while we are told in the Speech from the Throne that the Government of Ontario is prepared to integrate this public investment program with the federal program, the federal authorities do not think the time has yet come to take those measures. Either the Government of Ontario agrees with the Dominion Government, or it does not. If it agrees with the Dominion Government that there is not much to worry about at the moment, it should say so. If it thinks the

Dominion Government should now be launching a public investment program, in co-operation with the other provinces, the Government of Ontario should say so, and put pressure on Ottawa to take that course. This Province has a good deal of influence, because of its size and economic importance; more so perhaps than the hon. Prime Minister (Mr. Frost) suspects. We are no longer in that period prior to June, 1949, when so many people were maneuvering to take part in the election campaign. At the moment, there is more cordiality and more co-operation between the Province of Ontario and the Dominion than before. We note that with satisfaction. But, it seems to me, it is something which is not merely to be noted with satisfaction, but something --

MR. A. A. MacLEOD (Bellwoods): Even the Toronto Daily Star is more cordial.

MR. JOLLIFFE: Yes, the Toronto Daily Star is more cordial.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: If, as I think, the hon. Prime Minister (Mr. Frost) of today is able to approach Ottawa and to meet the federal authorities, and discuss their mutual problems in a rational way, without regard for coming elections or that sort of thing -- if that is now the position, which I believe it to be, I think the hon. Prime Minister (Mr. Frost) should take full advantage of it; he should lose no opportunity to bring to the attention of the federal authorities the need of launching a public investment program, at this time, before it is too late.

This Government is quite different in one respect from the Government led by one of the hon. Prime Minister's (Mr. Frost) predecessors. It is not in the habit of stating its position in a very offensive manner, but because the position is stated in an inoffensive manner, does not make it any more sound, nor any more helpful.

MR. T. L. KENNEDY (Minister of Agriculture): Sugar-coated, as it were.

MR. JOLLIFFE: Yes. One great fault I have to find with the Government -- and I could state my case pretty strongly, but I will not, because I want it to be heard with sympathy, and I want it to be adopted, if possible -- I do not think the Government of Ontario is sufficiently active in representing the interests of our people when certain issues arise in another jurisdiction.

I could give a number of examples. I will give two. Recently there was a controversy about the location of a certain pipeline. This was a matter of great interest to Ontario; it was a matter of particular interest to the people at the Head of the Lakes.

It is possible that the Government of Ontario have some interest in the matter. If they have, I have not heard very much about it. The greatest interest in the matter was taken by the elected representatives of the people at the Head of the Lakes, and I would invite the hon. Prime Minister (Mr. Frost) to tell us what, if anything, the Government of Ontario did in that particular situation.

The result of the controversy was not very satisfactory to a large number of people in an important sector

of this Province.

Now, I want to give another example, which is perhaps even more serious. For some time past -- I suspect for several years past -- the Bell Telephone Company has been preparing to launch a campaign for an increase in rates,and I must say they did a very clever job; they did such a good propaganda job that they prepared the minds of many people to accept the proposal that "since everybody else is getting more money, it is only fair that the Bell should get some more money, too." It was an expert job, and the evidence before me is it took a long time to prepare the ground before they made their proposal known.

Some months ago they announced their application to the Board of Transport Commissioners for substantial increases in the Bell rates. There were protests from various corners of the Province, including many of the municipalities. I think it is next week or the week after that the application is to come before the Board in Ottawa, and what is going to happen to the consumer interest ? The consumer interest will be represented at Ottawa by counsel appearing for the City of Toronto, the City of Montreal and certain other municipalities. But this is not a question of mere local or municipal interest. My information is that the Bell Telephone Company's application involves an increase in cost to business men, and to the domestic consumers in this Province, which will run to at least $25,000,000. per year, which will represent a very substantial increase in the cost of production, the cost of doing business, and in the cost of living throughout

the Province of Ontario. While we have a great many small telephone companies, nevertheless, directly or indirectly an increase in the Bell's rates will bear upon all the people of Ontario.

Now, the Bell case is a complicated case. It is not a simple thing like A-B-C, which can be explained in a paragraph in a newspaper story. Whether it is necessary or not, the company has made it a very complicated question. They are re-classifying localities they serve; they are asking for increases in certain rates, for no increases in other rates, and in the occasional case, a slight decrease in rates. All this has made it a very complicated matter. Moreover, the Bellmakes surethat it is very complicated, that the whole question is extremely complicated.

The hon. Prime Minister (Mr. Frost) is a lawyer and has also been the hon. Provincial Treasurer for quite some time, and he knows that when a very difficult or complicated case is presented before any tribunal, we cannot expect the best decision, or the wisest decision from that tribunal, unless an excellent case is presented for both sides of the issue -- for both sides.

What is the position in this Bell case? The position is that you have one of the largest corporations in the country spending years in preparation for this application. They will be represented by the best legal talent, they will be represented by the best accounting talent, and as a result of many months and years of preparation, every possible argument in support of the Bell's case will be put forward.

But what about the poor old consumer? Where does he come in? He will be represented by a few municipalities,

whose main interest, as some of them have informed me -- is to protect the interests of that particular municipality. They are not in a position to present a case of the same strength as the corporation on the other side.

I say, Mr. Speaker, it was the responsibility of this Government of Ontario, in fairness to the consumers of Ontario, to engage all necessary assistance well in advance of this hearing at Ottawa, to present their arguments, every argument which could be unearthed, every bit of evidence which could be found in support of and in protection of the consumers' interests.

SOME hon. MEMBERS: Hear, hear.

(Page B-16 follows)

MR. JOLLIFFE: But the consumer has been betrayed. As far as I can ascertain, nothing whatever has been done by the province of Ontario to present the case for the forgotten consumers in this matter.

Surely, it is not fair to expect the wisest decision, or the best decision, from the Board at Ottawa when they are going to hear thebest possible features of the case presented on one side, and I suspect a rather weak case presented onthe other side, by a few scattered municipalities. I think the people of Ontario have been badly let down in that regard.

May I just say, with respect to the merits of the issue, that the relationship of the Bell Company with the Northern Electric, withthe American Telephone and Telegrph, are still very mysterious. They ought to be thoroughly exposed, and if they cannot be understood because of their complexity by the general public, they ought at least to be thoroughly well understood by representatives of the consumer appearing before the Board.

Secondly, in regard to the Bell Company's propaganda, I notice that, in essence, what the Bell Company is trying to do is to maintain what is really an 8% dividend---an 8% dividend.

Now, Mr. Speaker, there may be enterprises where the risk element is high; there may be enterprises which are entitled to expect 8% as a fair return on a risky investment, but I challenge the government to name any public utility in a monopoly position, which is entitled to expect a return of 8% on the money invested. The Bell Company's president likes to talk about their "Two-dollar dividend." That, of course, is just so much propaganda; that resulted fromaa split in the Bell stock, 4 for 1, but it is, in fact, an 8% dividend. Some enterprises may thingk they are justified when theyare prosperous in paying an 8% dividend, but we repudiate entirely this monstrous theory that a public utility, which is a monopoly, getting all kinds

of privileges and protection, should be entitled to expect an 8% dividend for all time to come. They may "get away with it" in the United States, but I do not think there is any reason why they should "get away with it" here. What would you think of a proposal that the people who invest their money in hydro should expect 8%? Why, the thing is fantastic. People who buy hydro bonds are well satisfied, to judge by the success of hydro issues, to get a little better than 3% yield. The president of the Bell Telephone Company, said in an interview in regard to the financial position of the company, "We want to get this company in a position where more of our capital is represented by common stock and less by bonds." They want more of their caital to be represented by common stock, on which they will pay a high dividend than by bonds, which will only give them a low rate of interest. Could any more unsound proposal be advanced? I would like to know what possible excuse there can be for the failure of the government to go to the defence of the people of this province in opposition to that application.

Mr. Speaker, perhaps I should add this; that the world is going to become a more competitive world, as far as trade is concerned, even if we were to solve the dollar sterling crisis and remove some of the other barriers to trade. We would still have to produce as economically and efficiently as possible, and we cannot think of doing that be permitting companies, like the Bell, to take a toll in excess of what they are entitled to in order to give the necessary service. It will increase the cost of production and the cost of living.

I wish to make one passing reference, because it is basis of all production in this province, to our natural resources. In that connection, the government has a very special responsibility for the administration of our northern forests. I hope the hon.

Prime Minister (Mr. Frost) in replying to me today, will give some more information, information more specific than we find inthe Speech fromthe Throne, as to what progress has been made or what is intended in regard to implementing the recommendations of the Kennedy Report. Also as towht the government's position is with reppect to the convtroversy which has been raging in some parts of Northern Ontario as to allocation of limits as between the logging interests and the paper interests. But even with our resources, and our economic production, the human element enters into all our work and play in the province of Ontario.

I am not going todiscuss the question of social security or social justice in detail here today. Many of my colleagues will do that at a later stage in t is debate.

There was interest, of course, in the announcement that this Session will see the introduction of a new l bor code, and I presume the hon. Minister of Labor (Mr. Daley) will be explaining it to the House in the not too distant future. It is very important t the industrial and social well-being of this province that we should have a better labor code than we have had inthe past, and it is necessary thatit should be consistent with the recognized principles of democracy. It is important, for example, that it should give due recognition to the principle of "majority rule," and we shall look forward with interest to seeing whether the hon. Minister's(Mr. Daley) bill comes up to that standard. We have had in the past a labor code which frequently enabled the minority to defeat the will of the majority, sometimes with rather disastrous results.

Now, when I was referring to the public investment program, I might well have referred also to housing. I believe that a Bill has been introduced, and I think distributed only today. I will not discuss that Bill, but I think the government should

make clear what its intentions.are. Time and again we have had healthy legislation brought forward in this House by the government, healthy in this sense, that it was either tidying up legislation, remedying the mistakes of the past, clerical andotherwise, or it was comprehensive legislation whihh conferred on the government the power to do what was necessary, but did not carry with it any guarantee that the government would do what was necessary. If we are going to get housing legislation which simply enables a government to do what ought to be done, and if we fail to get some very positive commitments that the government will act under the powers conferred by the legislation, I am afraid we are no farther ahead than we were before, because our experience has been that healthy legislation is frequently followed by unh ealthy inaction, year after year.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: Now, Mr. Speaker, the situation with regard to housing has changed a little. For one thing, more materials are available; for another, more labor is available and for still another, the Federal government has somewhat shifted its position. As the government well knows, some of the people who had the cash with which to buy houses a few years ago, are no longer supplied with the necessary cash, so there has been a change in that regard, too.

But the important change to which I wish to refer is that it is now open tothe government to endeavor to enter into an arrangement withthe Dominion to proceed actively in the assembling of land and services in connection with the building of low-cost housing, and to do it, not only at an economical rental, to do it also with a subsidy, where that is necessary.

I think the government is probably familiar with

a letter describing the position, which went out to, I think, all of the hon. provincial Premiers in September, from the hon. Mr. Winters, in which he explained the statement he was going to make in the House of Commons, and in which he explained the forthcoming legislation, and he describes that legislation in this way:

(Page B-21 follows)

"These projects may take the form of the assembly of land and services to enable an increased volume of housing by private builders. They may take the form of the Dominion and province proceeding with moderate priced houses for sale to home owners. They may also take the form of rental projects, in which event the Dominion and the province will seek local management for the project after it is completed.

"We found that the other provinces agreed with you in favouring the first two forms of project. Most of the provinces feltthat if public rental projects are necessary, they might better proceed at a later date rather than at the present time. The present high cost of acquisition of land for redevelopment, the high cost of fireproof construction for inside residential redevelopment, together with the difficulty of rehousing families presently occupying land suitable for redevelopment, all lead to the conclusion that whereas rental housing of this type may be necessary, now is none too favourable a time to proceed. However, the proposed arrangements with the provinces are broad and flexible enough to include rental projects either on an economic or subsidized basis, and the Dominion is prepared to proceed with rental housing projects at any time the provinces feel that rental housing is necessary."

I think we should hear very definitely from the hon. Prime Minister (Mr. Frost) as to whether or not the government now feel that rental housing is necessary, If they do, then there should be no delay in proceeding to avail ourselves of the co-operation which the Dominion government has offered. No matter how slow it may have been in coming, no matter how reluctant they were in making the offer, we should not hesitate any longer. We will want to hear from the hon. Prime Minister (Mr. Frost) an answer to that question; not just a Bill which makes it possible, but we want to know the government's intention, in more explicit terms than it was possible to state the answer in the Speech from the Throne.

I have just a word to say about a matter of great importance. I will not elaborate on it, because I have often done so, but if the government was unable to see the importance of it before, I do not suppose any words of mine would make much difference. It is so obvious and so all-pervasive in this province that not only have we the housing shortage, which is the basic problem, but we have a chaotic condition with respect to rent control and decontrols which have comealong. The issue here is very clear, and that is that Ottawa decontrolling in its widom andits own time, has done so in such a way as to bring matters into a chaotic condition, which still exists throughout the province.

Some people have low rentals, because they are lucky or because they are well protected. Other people who deserve no worse, are paying much higher rentals. If I wanted to, I coudd give some most fantastic examples of the difference in rents being paid.

I know it is the feeling of some people that, "Well, if they were any good, they would have saved their money; they would have had something in the way of war bonds and could have

provided themselves with a new house on a first mortgage and then a second mortgage from the province." Well, that may not have been possible with those who have had to work for wages or salaries in recent years.

What has the Ontario government done? I think that could be answered by the one word "Nothing."

(Take C Follows)

The Dominion offered Ontario, as it offered the other Provinces, the opportunity to enter the rental control field in the spring of this year. The Ontario Government has not acted on that offer.

Now, I think we are entitled to hear from the hon. Prime Minister (Mr. Frost) a very clear and definite explanation for the reason as to the failure to act, and we will not be satisfied with an explanation that the housing situation is not as bad as it was. We will not be satisfied with an explanation that ~~a great~~ many houses have been built in Ontario. It is equally true that as the hon. Prime Minister (Mr. Frost) often says, we have a great many more people in this Province since the war ended, and personally I do not regret it; I am glad we have more people; I think we needed them, and I think they will be an asset to this country and to this province. in the future. In the meantime, we have the responsibility of establishing more equitable standards of pricing in an average way. There are now some inequalities, some inequities to both seller and purchaser. I know the constitutional aversion of some members of this House to any form of price control. I realize that, but however you may feel about that, surely we have to recognize that there are times when shortages are such that it is necessary in the public interest to place a restraining hand upon inequity and injustice. I suppose that all of us would much prefer -- and certainly I would much prefer -- to see an end of all forms of rent control, and that would be possible if there were not the housing shortage which exists today. I

would prefer that myself the same as hon. members opposite, but it is not a theoretical question, it is a practical question. We face this spring and this summer a great many evictions, a great many rents which people will not be able to pay with the present cost of living. The Government must know that large numbers of working families are paying more money by way of rent than is justified in relation to their income, It is well known what the proportion should be if adequate provision is to be made for food and the necessities of life. For instance, how can a city worker buy the food he should buy from our farmers if he is paying one third or more of his income for rent, which some of them are paying, when, as every social worker can tell you, he cannot get along properly if he pays more than one week's income per month in the form of rent.

Well, there it is, and what makes me rather angry, Mr. Speaker, is that from time to time supporters of the Liberals and Conservatives ask me if this Government is going to do anything to help them out of their housing troubles. I am not in the confidence of the Government, and I have to tell them I do not know, and what I have said on more than one occasion is: "Why do you not ask them?" I am afraid that is what I will have to go on saying.

There are important issues I would like to discuss today, but I do not want to be too long, and others can discuss them better than I.

I notice some reference in the Speech from the Throne to the building of new mental hospitals. We certainly need them, but it has become a little depressing

and a little monotonous, that in the Speech from the Throne, year after year -- it has been going on since long before the hon. Prime Minister (Mr. Frost) was in power -- it becomes a little depressing that we have to have bigger and better mental hospitals for our people. I hope it does not reflect the trend of things in this Dominion that this seems to be the outstanding achievement of every Government, the housing and care of more and more victims of mental illness.

It is a very good thing to have hospitals but another of those issues, where an ounce of prevention would be worth more than a pound of cure. You know there is a connection -- I hope the Government is aware of it -- there is a connection between the housing issue I was just discussing and the number of people who will have to be housed in our mental hospitals. Any psychiatrist will tell you that.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: I would like to discuss one of the major issues before the people of this Province, and that is the education of our young people, but I do not think I had better. I would hate to take too much time, and we have not yet received that report for which we have waited so long with bated breath.

MR. A. A. MacLEOD (Bellwoods): Hope springs eternal.

MR. JOLLIFFE: I refer to it, Mr. Speaker, more in sorrow than in anger, because it seems to me passing strange, and I think if Ripley were interested in history or in constitutional records, I think it would be something for

Ripley, the story of the Hope Commission of the Province of Ontario.

Well, I will leave it with the suggestion that someone should send the story to Ripley.

There was an interim report, and it is referred to in the Speech from the Throne. The mountain laboured five and a half years and brought forth an interim report and a poor thing it was, too.

Mr. Speaker, I have been discussing some of the issues which may make or break us in this coming generation. I seriously believe that unless we do a better job than we have done with respect to these issues, our system of Government may become discredited throughout the world. I do not think it has gone too far yet. I think, as a matter of fact, that those who would like to destroy the democratic system tend to underestimate the power, the strength, the resilience and flexibility of our system. I think that Hitler, who was a totalitarian if there ever was one, Hitler underestimated the potentialities of the British people and their system. To him it looked inefficient, it looked blundering, it looked weak, but he underestimated the power of democracy to call out the best in the people of the United Kingdom, and the result has changed the course of history.

I believe, also, in the power of democracy to call out the best in our people here too! and I believe in the power of democracy to call out the best in our leaders. Our leaders certainly now have an opportunity to demonstrate their statesmanship by solving the constitutional deadlock which has existed so long in this

country, in two respects, Mr. Speaker. First of all, with respect to the power of this country to amend its own constitution. The hon. Prime Minister (Mr. Frost) of course, attended that conference in Ottawa in January, at which this matter was discussed. I would suggest that there should be provision for the amendment of our own constitution in this country on a demoratic basis, which should reserve and preserve certain matters, which, in this country have a special significance for some of the Provinces, including this Province. In other words, there should be something described as the entrenched clauses, but it seems to me, Mr. Speaker, it should not be so inflexible and so rigid that the future Governments of this country and its provinces may be paralyzed into inaction by constitutional restrictions other countries have suffered from. I would like to be certain that this country will never suffer from that kind of paralysis.

I would suggest they be more specific about it, and the matter is not yet decided. I would suggest for the consideration of the Government that in this country we ought to make certain that certain matters like education and language, solemnization of marriage and the administration of justice in the Province, the provincial power to amend the provincial constitution should be in the entrenched clause; but apart from that, we suggest that amendments affecting both Dominion and Provincial jurisdiction should have the consent of the House of Commons and the Legislatures of at least six Provinces, representing at least one half or fifty-one percent. of the national population, similar to the principle of majority rule which I mentioned a moment

ago. It should be subject to this condition, that if six provinces favour an amendment but do not represent fifty-one percent. of the population, the amendment could still be approved if supported by a majority of the electors voting in a national referendum.

Secondly, subject to this reservation that if a provincial legislature failed within a definite time to dispose of a proposed amendment brought before that legislature, it should be deemed to have approved that amendment. Now, that is a simple application of democratic principles to the constitution of this country, which, after all, was made to serve the people of this country and should therefore be sufficiently flexible to be amended from time to time to meet changing constitutional needs. That does not imply re-writing our constitution. After all, it is not a bad constitution, whatevermay be said about it. It does not imply re-writing it, it does not imply changes would be made every year. I would expect they would not be made very often. It does mean there would be provision and a procedure for adjusting it to the changing needs of succeeding generations.

What is perhaps of more immediate importance, there is still a challenge before the leaders of this country and the leaders of this province, to reach a settlement of the constitutional deadlock with respect to social security issues. Now, I know this has been put off from year to year, I know it has been the subject of bitter political controversy. I know we may expect another conference, I believe in the autumn of this year, at least that is the intimation which has been given. I

would appeal to thehon. Prime Minister (Mr. Frost) at the coming conference to show that he has the qualities of statesmanship necessary, as the Prime Minister of the senior province, and I think the most influential province, to show that he has the qualities of statesmanship necessary to reach a settlement which will enable the people of this country to enjoy the kind of co-operative national social security insurance which they are entitled to expect.

I think the hon. Prime Minister (Mr. Frost) has what it takes to play that part in the history of his country, and I hope he will do it, and we will be the first to give him credit if he does it, even if he is the leader of a Conservative Government.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: It is a great opportunity, and I do not want to see the hon. Prime Minister (Mr. Frost) recoil from it, because he knows it calls for very high qualities of statesmanship, indeed. If we can solve a matter of that kind, we will have re-established our right to tell other people of the world that under our democratic system we know how to work out our difficulties. We can establish a basis of security with liberty; we can establish higher standards of living through individual and collective effort, and we can submerge our personal, political and sectional differences, when it is necessary to do a very big job and do it well.

These things I have discussed, Mr. Speaker, are within the power of the Government, and we shall be pleased to hear from them an assurance that they propose to exercise their

full power within their own sphere to meet the needs of the people of the province. We await a statement of that kind with mountinganticipation. We have not found it in the Speech from the Throne, and it therefore becomes necessary for me to move this amendment to the Speech from the Throne:

> I move, seconded by Miss MacPhail, that the motion for consideration of the speech of the hon. the Lieutenant-Governor now before the House be amended by adding thereto the followings words: This House regrets that the Government has disclosed no effective plans for meeting the growth of unemployment, the decline in farm income and the shortage of low-rental housing.

SOME hon. MEMBERS: Hear, hear.

(Page C-9 follows)

Hon. LESLIE M. FROST (Prime Minister): Mr. Speaker, in taking part in this traditional debate, and in joining issue with the hon. Leader of the Opposition (Mr. Jolliffe) opposite, perhaps I should say my good friends opposite, I should like at the outset to congratulate the mover and seconder, the hon. member for Leeds (Mr. Reynolds) and the hon. member for Cochrane North (Mr. Leger) on the fine addresses which they made in moving the adoption of the Speech from the Throne. I shall refer to them a little later.

Mr. Speaker, one cannot help but feel somewhat depressed after hearing the address of the hon. Leader of the Opposition (Mr. Jolliffe). His gloomy forebodings about the future of this world, and not only the future of this world, but the economic future of this great country and great province in which we live. I hope to cheer him up somewhat. I think perhaps it might be impossible to cheer him up entirely, from the address that he has given, because after his discussion of the efforts of this administration over the last Government, and the efforts of this administration over the last six years or seven years, I think there is nothing really that he does agree with.

There is nothing in the future or the economy of this country that he agrees with, and therefore, it would seeme to me, in the course of a very brief address, rather difficult to cheer him up and to bring him around to what I think, to a more optimistic frame of mind and a more optimistic viewpoint as to the possibilities of this great land in which we live.

I found myself in agreement with the hon. Leader of the Opposition (Mr. Jolliffe) concerning the difficult world that we live in, and indeed, to use General Smuts' quotation, "the dangerous world we live in". I think this is a time when we must, in the words of the Speech from the Throne, "we must pull together for the common good". I think that applies to all our thirteen million people in Canada. I think we ought to take as our primary objects the making of our way of life, the system of life work, and I can assure the hon. Leader of the Opposition (Mr. Jolliffe), and I can assure the hon. members of this House, that on this side of the House the movement wants to be in Canada a unifying influence, and I think we will be a unifying influence. In fact, I know we will be.

We are prepared to co-operate with all governments, municipal, provincial and federal, in anything which will tend towards unity in this land of ours. I think that is the attitude of our people here in Canada. It is true we have some differences of opinion; some have more differences than others. I gather from the hon. Leader of the Opposition (Mr. Jolliffe) that he really agrees with nothing we have done, or what has been done by any other government. I see he has some support over there. Perhaps I can change their thinking as time goes along.

After having been in various conferences with the Dominion and with the other provinces, with people of other political faith, I have had much to do with many of the governments of Canada, our western governments and our eastern governments. I found, all in all, that the people

of Canada are a pretty fine lot, and although they may disagree in certain political matters, we are all pulling for the same end. I can assure, Mr. Speaker, and the hon. members of this House that will be the attitude of this Government, which I have the honour to lead.

In connection with world trade and the sterling dollar situation, as mentioned in his honour, the Lieutenant-Governor's address, that is a matter which is really beyond the scope of a government sitting in this Legislative Chamber. But, nevertheless, I do agree with the hon. Leader of the Opposition (Mr. Jolliffe) that there are things which we can do to try and rectify this situation. I know the hon. members of this House will be glad to know that we have been constantly sitting in with representatives from the United Kingdom. Just a few days ago we had a very fine representative from the United Kingdom, Sir Cecil Weir, and we were discussing some of these very problems of having more purchases in Canada, and particularly, in Ontario, of goods from the United Kingdom.

We have done great things in that regard. One of the first acts of this Government, going back to 1943, was to open up the trade offices which had been previously closed down by another administration in London. Contacts are being made constantly with British vendors in this country, to facilitate the sale of United Kingdom goods here in Ontario. I want to assure the hon. Leader of the Opposition (Mr. Jolliffe) that we have not been neglectful of this. Just to pick some figures out of my mind, take the matter of Hydro. In the last comparatively short time we have purchased eight million dollars worth of goods for

Hydro in the United Kingdom. Then, the great steam plants that are going up in the Windsor area, I think, are coming from the Old Country -- Windsor and Toronto.

Now, for fear the hon. Leader of the Opposition (Mr. Jolliffe) might think we were buying everything in the United States, my recollection of the figures are that we are purchasing at the present time something around about 85 percent. of the Hydro requirements here in Ontario -- I think we are buying about nine percent. in the United Kingdom and about five percent. in the United States. I think those are the figures. So hon. members of this House, we are doing what we can.

Not long ago I recollect a matter coming up of buying some transformers from the Old Country. In going into it, we found that, due to climatic conditions, the type of steel and the metal that were used in these particular transformers, they were not entirely satisfactory for our needs. So where did we go to get them? We went to the old city of Hamilton to get them, and they are there being manufactured at the present time. I think the hon. members of this House will think that is a sensible and reasonable course to take.

We are, of course, buying very many things in the Old Country. The hon. member for High Park (Mr. Temple) may have something to say in a little while about an amount of some $197,000,000., or some other huge amount of particular commodity which is being sold here in Ontario. I can assure you a great part of that comes from Scotland.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: That helps to balance things up. I would not say it is a desirable way of balancing things, but if people are so inclined, perhaps it is as good a way as can be found.

When Sir. Cecil Weir was here, the hon. Minister of Public Works (Mr. Doucett) and myself, canvassed the possibility of purchasing coal from the Old Country for use in our Ontario buildings. It was not as easy done as said. The fact is they cannot supply us with a single ton of coal. Through another interest, we were authorized to offer to have them supply us with 400,000 tons of coal for use in the Province of Ontario. That certainly is offering big business to the Old Land, and that is our policy, to follow that out to the absolute limit, and failing getting that coal from the United Kingdom, we will be able to fill some of our requirements here, and we will do everything possible to interest industry. For instance, failing that, we are going to see what we can do with the old province of Alberta, who is a good associate and friend of ours, to see if we can fill our requirements from them.

MR. A. A. MacLEOD (Bellwoods): What about Nova Scotia?

MR. FROST: We are interested in Nova Scotia, too, but I went to Nova Scotia a year or two ago about that question, and I discussed the question with Mr. Patterson, who is now the Attorney-General of that Province. Actually, with things as they are, the Nova Scotia people ought to be able to supply us with some of our requirements here in

Ontario, and we are all for it if can be done.

The hon. Leader of the Opposition (Mr. Jolliffe), in his very gloomy address in connection with our policies over here, the operation of the policies of this Government and world conditions generally, and particularly relating to his appraisal of this government, ended up by moving what amounts to a want of confidence in this Government. Therefore, Mr. Speaker, I have to throw myself and this Government on this House, because we could not survive if we did not have the support of the membership of this House.

The hon. Leader of the Opposition (Mr. Jolliffe), as is his right, called us to task, and if his motion carries, of course, the Government will be defeated, and I want to give to him and to the hon. members of this House my reasons for feeling we should enjoy the confidence of the House. It may be that we will not only be able to hold our Government ranks in line, but we may get some confidence from the ladies and gentlemen who are sitting opposite us today.

First of all, I want to say that one of my main reasons for saying the Government should be sustained at this time is the fact we can claim to get the confidence of the people of Ontario.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: A moment ago I had the pleasure of congratulating the hon. member for Cochrane North (Mr. Leger) on his address. I was up in that great northern riding last spring, in the latter of May and June, and I had the opportunity of going throughout that largest

riding, I think, in Ontario, and seeing something again of that riding, which I had not visited for some years. This riding is washed on its northern side by Arctic waters, and it runs down to a very fine agricultural land in the southern part, and we have evidence of this amazing province of ours, going to a riding scarcely 40 years old, and seeing the developments which have taken place in the community. We went to Kapuskasing and saw there a beautiful community with lovely houses,with lovely public buildings, and places for the people to live and enjoy themselves; and saw there a mill which produces right from the timber which goes around that area, to the finished product, paper products, Kleenex, and the like of which has been done within a comparatively few years.

We live in an amazing country, and Cochrane North is evidence of the amazing province that we have here in the Province of Ontario.

And now, I do not know how the hon. members of the Opposition decide these things, but apparently they thought it was time for them to do something. We were faced in Cochrane North by a C.C.F. candidate. Now, what was the result?

MR. JOLLIFFE: Ask Joe Bradette.

MR. FROST: I think it is fair to lay these matters before the House when we are asking for the confidence of the House, in order that this Government might go ahead with this great work. Back in 1943, the Progressive Candidate got 1,007 votes; in 1945, he got 1,918 votes -- quite a considerable number of people were being enlightened as to the good work of this administration -- 1948, it went

up to 3,838, and a year and a half later, Mr. Speaker, it went up to 6,383.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: In that period of five and a half years, the vote for this party in that great riding of Cochrane North increased by 5,300 votes, while the combined opposition vote in that riding decreased by something in the neighbourhood of 500 votes. I think that, in itself, is evidence of the support that this Government has in ridings in the Province of Ontario.

Another place where public opinion was sampled in the Province of Ontario was down in the cradle of old Ontario, on the banks of the St. Lawrence River, in the great riding of Leeds. At that time we were faced with another situation. The candidate, instead of being a candidate of the Opposition, was a candidate of the group which sits next to them. How that was arranged, I do not know. I wondered myself. I was down there one afternoon, and I spent a little time in the firing line.

MR. C. H. MILLARD (York West): It was not arranged the way it was in Cochrane North, I will tell you that.

Take D-1 follows

I spent one afternoon down there, and I saw the hon. member for Temiskaming (Mr. Taylor). I do not know what he was doing in Brockville in the county of Leeds, but he was there, because I saw him. Whether that had anything to do with the coalition, I do not know. In any event, there was one candidate, and he was a Liberal candidate.

The importance of that by-election was summed up in these words:

"It is called a 'provincial election' because it is the opportunity for the electors to pass an opinion on a government which has been in office for one and one-half years."

Those are the words of my good friend, the hon. member for Waterloo, North (Mr. Brown), so he called the tune himself.

Mr. Speaker, I have in my hand a very remarkable picture from one of the well-known newspapers in the city of Toronto. This picture reminds me somewhat of that of the Fathers of Confederation out in the hall. It is a photograph of a meeting held in the city of Brockville some time around the latter part of October, and it is very remarkable for this reason -- and I intend to cut it out and put it in the scrapbook which I keep of remarkable events which one runs across in public life -- that on this platform there are no less than ten hon. members of this Legislature, and four hon. members of the Federal parliament.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: Mr. Speaker, I might deal with some of these gentlemen, a number of whom are old friends of mine. The first to whom I would like to refer is my good old friend, the hon. member for Brant (Mr. Nixon). I see him sitting here today. I examined this photograph with a magnifying

glass, and I am unable to say whether the hon. member for Brant (Mr. Nixon) was asleep, or whether he was merely uncomfortable and bored. I do not know which.

SOME hon. MEMBERS: Oh, oh.

MR. H. C. NIXON (Brant): Just the same as I am today, Mr. Speaker.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: The hon. member for Brant (Mr. Nixon) is smiling this afternoon. He is not smiling in the photograph. He looks as if he were asleep.

Sitting close to him is my good friend, the hon. member for Grey, South (Mr. Oliver). He has a resigned look on his face. That reference to "resigned" has nothing to do with the resignation he has recently handed in, but it has more the appearance of an old campaigner, and when I saw this picture, I thought the hon. member for Grey, South (Mr. Oliver) was thinking, "Well, the jig is up". He has that appearance.

SOME hon. MEMBERS; Oh, oh.

MR. FROST: Then there are a group of hon. members in the photograph to whom I may refer as the "rank and file" who, after all, are the great strength of any party. I notice on this side of the House that the real merit in our party comes from the hon. members who sit back here. (Indicating).

SOME hon. MEMBERS: Hear, hear.

MR. FROST: I see sitting in the back bench, in this picture, such faces as the hon. member for Brantford (Mr. Gordon), and hiding down behind another figure is one whom I took to be the hon. member for Wellington, North (Mr. McEwing) I see he is shaking his head negatively.

MR. R. A. McEWING (Wellington, North): I was not in the picture.

MR. FROST: Then it might be the hon. member sitting in the far corner, the hon. member for East Kent (Mr. McMillan). In any event, I have the picture here. Here is the photograph of the hon. member for Prince Edward-Lennox (Mr. Baxter), the hon. member for Welland (Mr. Walker), and I think the hon. member for Bruce (Mr. Foster).

Now, there was another group in this picture whom I might term as the "candidates". We have there amongst the "candidates", the speaker, Mr. Dave Croll, who sat in this Legislature at one time, and a very able gentleman.

He is speaking, and that may account for the hon. member for Brant (Mr. Nixon) looking rather bored.

SOME hon. MEMBERS: Oh, oh.

MR. H. C. NIXON (Brant): No, I am a great admirer of "Dave".

MR. FROST: Then we have here a very handsome picture of one who appears to be the hon. member for London (Mr. Calder). He was one of the candidates, in fact, he was my favorite candidate, although they all are favorites of mine.

Next to him is undoubtedly the hon. member for Niagara Falls (Mr. Houck), and then my good friend, the hon. member for Waterloo, North (Mr. Brown) who apparently has either the public accounts or the Audit Act in his hand.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: They were nearly all there on that platform.

I may say to the hon. members of this House, Mr. Speaker, that this was not merely a passing test of strength

in one of the great historic ridings of the province of Ontario. I know the hon. members of this House will be interested in realizing that the verdict of the people -- and after all it is the people from whom we get our strength -- was this, that from a majority over the combined opposition, a majority of 693 votes, this government was able to get the largest majority of all history, 2,680 votes.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Sometimes the hon. members opposite speak about "a minority vote", and whatnot. I would point out that the government vote of 10,627 was the highest in all history, and was 1,609 more than the government party received a year and a half before, and at the same time, the Opposition vote shrank by 398 votes, leaving, as I say, the greatest majority in the history of that historic riding, for the government party.

Mr. Speaker, I do not think that this vote indicates that the people of this province share the pessimistic views of the hon. members opposite. I think the people of this province feel that the issue in these ridings was the great issue of good government, and the people of the province of Ontario, in these two widely-separate ridings, endorsed the policies of this government, and asked them to go on with this good work.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: So I have no hesitation, Mr. Speaker, in asking the hon. members of this House to renew their confidence in this government in an emphatic way.

There are a number of matters which were raised by the hon. Leader of the Opposition (Mr. Jolliffe), which I shall only attempt to cover at the present time in a very

brief way.

I would like to leave with him, and with the hon. members of this House something about the great work of this government in these very difficult days of re-adjustment. I will do my best now to cover some of the subjects which he has raised.

I want to assure the hon. Leader of the Opposition (Mr. Jolliffe) that I have never, myself, nor has any hon. member of this government, minimized the matter of unemployment, either at the present time, nor will they in the future, nor have they minimized the possibilities and difficulties of unemployment in the days to come. Indeed, all of our resources have been directed the other way, and I feel that the people of this province will appreciate the fact that we have great works, which will be undertaken, which will be undertaken right now, and which have been in the course of construction and operation for some time past.

As I told the hon. members of this House the other day, at times we felt some embarrassment because of the extent of the work we are doing.

The hon. Leader of the Opposition (Mr. Jolliffe) pointed out that we should do everything we could do and can do. I can assure him that is the policy of the government. The British North America Act, of course, lays certain limits and restrictions upon the powers of provincial governments, and municipal governments, but, functioning within the limits we have in our Constitution, we want to pull our full load, in fact, in Ontario, we want to pull more than our share of the load.

I would ask the hon. Leader of the Opposition (Mr. Jolliffe) to refer to the letter I wrote to the Right Honourable

Mr. St. Laurent on the 3rd of this month on that subject. I pointed out to him:

"A Dominion-Provincial Conference is not necessary if further efforts were required in connection with the matter of unemployment."

I will not cover again what I said yesterday, what Right Honourable Mr. St. Laurent, the Prime Minister of Canada, said in the House of Commons, not in reply to any statement I had made, but with respect to what I had to say here in the House yesterday.

My feeling is, we have a great job to do in Ontario. Fitting into the national picture, it seems to me that the job of the province of Ontario -- and, indeed, the other provinces -- is to do the public work, and to encourage the expansion of our resources and our industries. That is something definitely within our field.

The figures which have been given to this House are, indeed, very modest figures. I was quite interested today in looking over a breakdown of what this government is doing, and when I say "this government" I just do not like the expression altogether. I should say, perhaps, the "policies and work of the people of Ontario", because we claim to represent the people of Ontario in what is being done.

I was just noticing, for instance, that the direct expenditures of the government in capital projects, the government itself, and the two principal subsidiaries, the Hydro and the Temiskaming and Northern Ontario Railways, amount to about $19,000,000. each and every month. My colleague, the hon. Minister of Highways (Mr. Doucett) has been spending in the

past year something in the neighbourhood of $70,000,000., which broken down into months, would amount to between $5,000,000., and $6,000,000. per month, and the capital outlay in the housing scheme is about $2,900,000. nearly $3,000,000.; public works $658,000.,and rural hydro extensions $1,150,000., the development of resources about $1,200,000., every month, with the great hydro-electric projects of the Hydro Electric Commission, amounting to about $12½ million dollars per month.

With our municipalities, there is added to that a further sum of about $7,300,000. per month in our municipalities. Of that amount, about $2,000,000. per month is coming from the erection of new schools in this province, which I will mention again in just a moment. The cost of those schools is very largely paid by grants from the province of Ontario and money voted by this Legislative Assembly here.

Public works run $958,000. a month, hospitals $950,000. a month -- and again, hospitals are very heavily subsidized by this government, and, indeed, by the Ottawa government.

These items amount to $25,000,000. every month. With the combined financial expenditures of our subsidiaries, the ydro and the Temiskaming and Northern Ontario Railway and the municipalities. And added to that is that last year the government financed Ontario second mortgage loans on buildings to the extent of $6,500,000 per month, making a total of nearly $32,000,000 each and every month.

Mr. Speaker, when the hon. Leader of the Opposition (Mr. Jolliffe) asks me what we are doing and infers that we are minimizing the present situation, I will say that we have felt at times the program we have which I indicated, was something whichperhaps would embarrass us, and that was

one of the reasons I have taken up on various occasions with the various hon. Ministers at Ottawa these matters, asking if we were actually going too far in the economic set-up of public works projects.

As I said yesterday, the Federal government hasnot given us any lead in connectionwith that matter, but we are prepared to integrate our various efforts to the fullest extent with the Dominion picture.

Things have, of course, altered constitutionally since some of us sat in this Legislature back in the days of 1937-38. Since those days we have a different economic picture in Canada. The constitution has been changed.

Power has been given to the Federal government to put into effect an Unemployment Insurance plan. But I am satisfied that there are adjustments needed in that Unemployment Insurance plan. It is apparent to those of us who are sitting close to it. But I feel satisfied that the administration at Ottawa will catch up all these things, and that the administration will be streamlined to the extent that there will not be the delays there are in regard to Unemployment Insurance at the present time.

I would say that the need for direct relief which existed in the years past has, to a very great extent, disappeared, and we hope under the economic system in the days to come, it will entirely disappear. These adjustments, in these days of change and alteration, which were brought about by the aftermath of war and the economic difficulties we have been faced with in this world, I am sure these things will be taken care of in the course of time.

In the meantime, with our great province here, the tremendous works we are doing, so dependent upon our tax resources, and our powers to borrow money, to get the necessary financial means to go ahead with these programs,.....

.....nothing can be sillier than that this province should go outside of the economic sphere and get into something which will involve the governments of other powers. Nothing could be more silly, and nothing would hamper more effectively our ability togo ahead withe great public works projects, not only those we have now, but what we will have in the future.

Before us, in Ontario, we have tremendous possibilities. Let us pull as a team with the other jurisdictions in Canada and try to do the job which I think we have to do under our constitutional limitations. If we do these things, I have no doubt that great good can come to Canada, and indeed for the provi ce of Ontario.

I have no intentionto start operating the affairs of the United Nations or the Dominion of Canada. We have a big job to look after the affairs of the people of the province of Ontario. I think in doing that, and by cooperating with other governmentsin the things that other governments can do, we can do great things for the province of Ontario.

The hon. leader of the opposition (Mr. Jolliffe) mentioned the pipeline fromthe West. I can say that no government has worked more closely with the government of Alberta than ours. We are on the most friendly terms, and are most anxious to assist every way to use Alberta resources in the province of Ontario.

We would like to see the pipeline go tothe lakehead. But, after all, matters referring to the resources of the province of Alberta are things which relate to that province itself, and that province has been negotiating with other provinces and with other states, and we have very serious misgivings in the matter of interfering with the business of another province.

We had some of the staff from the Department of Mines invited to the province of Alberta to give evidence in connection

with the use of natural gas, with which we havehad very considerable experience in the province of Ontario, and we were most careful to insist that our experts from our government in this province should not go out there and tell them or dictate to them whether they should sell the natural gas to the United States or not. That is a big question. We are buying here in Ontario a large amount of natural gas from the United States. The plant at Windsor at the present time presently is operating on the gas brought all the way from Texas underground into that locality.

These are questions which are very difficult. It is just like a bull in a china shop. If we start interfering with the affairs or the business of Alberta we would not be doing the proper thing. If the pipeline can be brought to the Lakehead, we want it brought there --

MR. JOLLIFFE: Who is building the pipeline?

MR. FROST: That is a matter on which the government of Alberta and the government of Canada are interested, and one of the representatives at the Lakehead is the hon. Mr. Howe, and I would think he would be most anxious to bring it to the Lakehead, if it could be brought, just as we would be most anxious to bring it, if it were possible. But there are things a little beyond our sphere.

The hon. Leader of the Opposition (Mr. Jolliffe) has gone into the Bell Telephone Company, and I would point out to him, that there is a very competent Dominion Board appointed to look after matters of that sort, with which Commission we have had some considerable experience in connection with natural gas and so on, and we have found them very careful to protect the welfare of the consumers of those things. I think the hon. members of this House will agree that in our rate hearings in this Province, we brought about a pretty fair degree of success,

and I cannot imagine that the Dominion Transport Board will flagrantly disregard the interests of the consumers.

It is interesting to note that in this Province, the Ontario Association of Rural Municipalities recently snowed under a resolution, in the following words:

> "This council objects to the raise in rates of the Bell Telephone Company on the grounds that in spite of the increased costs of materials and labour claimed by the company, consumers were not receiving service comparable to a few years ago, due to the fact that rural lines are being overloaded with subscribers."

These people are sensible people. You get a body of rural municipalities, composed of Reeves and what not, and they know their business and know what they are talking about.

When we get into matters of that sort, it is a matter of economics. The federal government in its wisdom over the years has set up a system to protect the consumers and users of these services, and I cannot think that the Dominion Transport Board is going to disregard the interests of the people.

Another point which the hon. Leader of the Opposition (Mr. Jolliffe) brought up was the matter of the dispute in regard to the timber resources at the Lakehead. I can state our policy very briefly in regard to that. The first thing is this, that we, as a government, represent the people of Ontario, and no special interest, sawmills, or pulpmills, or anything of that sort.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: We are looking after the people of Ontario. Whatever the conflict of those interests is, and wherever the merit lies, first of all we will look after the interests of the people of Ontario, and we will insist upon the very best forest management that there is in any place in the world. That is our objective, and we are heading for that.

Mention has been made here of the Kennedy Report. I want to say that the Kennedy Report, and the recommendations and the objectives are under constant consideration, and we are making progress, and are going to make rapid progress in the matter of providing for the best forest management, and for the best uses of our logs. They can fight the way they like at the Lakehead, But the logs which are obtained from the forests will be used in the best way and to the best advantage. If they are pulp logs, they will be used in the pulpmills. If they are saw logs, they will be used in the sawmills, and nobody will go up there and "highjack" our country for their own interests, against those of the people of Ontario. That is our policy. Public interest will come before the interest of anybody else, and this Government is backing no special interest, and I can assure you they will all walk the crack in the best interest of the people of Ontario.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: In the matter of housing; I can give to the hon. Leader of the Opposition (Mr. Jolliffe) perhaps a little more abstract view than he had in his speech

here a short time ago. We in this old Province of Ontario, by virtue of laws which were passed in this Chamber within the last few years, legislation which was sponsored by the hon. Attorney-General (Mr. Porter), when he was the Minister of Planning and Development, will lead all of Canada in housing.

SOME hon. MEMBERS: Hear, hear.

Take E-1 follows

There are many things which I could say about housing, many things with which I am dissatisfied, but let me say this first; the second mortgage plan which was broughtin in this House was adopted by the Federal administration in their new legislation.

It was felt that the down payment was too great. We saw that a year or two ago. My honourable friend (Mr. Porter) introduced second mortgage legislation, with the effect that the people of Ontario loaned something in the neighbourhood of $17 million which produced I suppose around about seventeen thousand new homes which would not otherwise have been built.

Coming now to the gentleman whose address so bored the hon. member for Brant (Mr. Nixon), the Federal member Mr. Croll, I still remember during the election that he made a doleful speech downtown here to which I listened on the radio. He talked of mortgage on mortgage on mortgage. I do not know whether my honourable friend the member for Brant (Mr. Nixon) heard that speech, but it was very interesting to note that the Federal government, as soon as the election was over, said it was a very wise policy and they adopted it, and now second mortgage advances are included in the Federal loan.

Your government here was the first -- and when I say "your government", I mean the government of the people of Ontario -- was the first government to advance amounts to enable the installation of services in our municipalities in order to reduce municipal costs. We started payment of $300. a house. Just today I was signing, on the recommendation of some of the hon. Ministers here, orders directing payment to places like Orillia, Belleville, and others like that, to pay them for half the cost of the services.

Under the new plans, that scheme has been adopted as one of the great advances in connection with housing, and hon. members here who have been mayors and reeves of municipalites will recognize that under the old housing plan no arrangements were made to give a fair return for the taxes that were due the municipalities. Under this new plan, the municipalities are going to get a fair return for taxes and houses built under this plan.

Mr. Speaker, those are great advances, and I hope the hon. Leader of the Opposition (Mr. Jolliffe) Will not call us to task in connection with the Bill that was introduced here just the other day by the hon. Minister of Planning and Development (Mr. Griesinger). We are already acting, I think, in connection with the city of London, and we are going ahead with works in the city of London, even in anticipation of the direction that we know we are going to get from this Legislature of Ontario.

I think that should give a feeling of encouragement. I think the hon. Leader of the Opposition (Mr. Jolliffe) ought to brighten up at the indication of the action which is being given on this very pressing matter.

On the matter of rent controls, our position is simple. We had represented at the rental hearing, in person, the hon. the Attorney General of Ontario (Mr. Porter), who presented the case for the people of this province. Our position is this: what is the use of our taking a selfish position in connection with our constitutional powers? The fact is the Federal administration has control of wages, materials, and all the things that go to make up rentals. It is obvious, therefore, that if you are going to have an effective control of rentals, it

must lie with the government that has those powers. Our argument was simply this, that undoubtedly an emergency existed during the war, that an emergency is continuing to exist, and even if it did not, that the Federal administration would have the power to go ahead and de-control rentals when that emergency ended.

Mr. Speaker, that is our position, and I think it is a very positive position, and I am satisfied that it carries with it the judgment of the people of this province. It may be that all things in connection with the handling of the rental controls by the Federal government does not meet with the approval of all the hon. members of this House, but after all, that is their job, and we are going to assist them in every way we can. We are not going to hamstring them by bringing up all manner of constitutional amendments and difficulties.

Another matter my hon. friend opposite (Mr. Jolliffe) mentioned was in connection with constitutional amendments. I will not go into that matter other than to say the policy of this province in connection with constitutional amendments was set out in the, I think, rather homely words which we presented to the conference as part of our brief, "that the powers to amend our Constitution should be elastic enough to meet the needs of a growing and developing nation, difficult enough to discourage indiscriminate tampering with our Constitution, rigid enough to provide adequate safeguards to protect minorities and fundamentals of the Federal system under which we have developed so satisfactorily during the past eighty three years."

I imagine if my hon. friend (Mr. Jolliffe) were to take that formula home and read it, he would come back here tomorrow and agree that it was fundamentally sound. After all, we do not want to have a constitutional system which is so rigid it cannot

be amended, we do not want to have it so rigid it is impossible to make amendments, for after all we are a growing and developing nation. On the other hand, we do not want to have it that every time one thinks of a change in the Constitution, that change is made, for chaos would be the result.

On the other hand, I do not think any hon. member in this Assembly would want to disturb the fundamental rights of our people in matters of language, religion, and other things which are counted as fundamental, and which were fundamental at the time of Confederation some eighty-three years ago.

Mr. Speaker, that I think is the attitude that has been taken by this government, and again I would say that the Opposition with a clear conscience can vote for us on these amendments, they can vote with us as taking a stand which will carry with it the commonsense judgment of the people of the province of Ontario.

In conclusion, Mr. Speaker, I want to say that the whole policy of this government, and what lies back of this government is our desire for human betterment, for the betterment of conditions among our people. That is the purpose behind it and I can only once again refer my hon. friends to what has taken place over the last half dozen years, what has taken place here in the last year, in some of the things which have been causing, perhaps, some intellectual doubt on the part of the hon. Leader of the Opposition (Mr. Jolliffe).

Take for instance, health. Take the mighty advances we have made in that. I mentioned being in North Cochrane during the by-election. While there I went around to the little United Church Hospital in Hearst. I saw the work they

were doing in that little hospital, men who were in from the woods, injured perhaps in accidents in the bush, children, babies, cases of birth and whatnot, and the Sister who was in charge there said to me: "Mr. Frost, I don't know how we would carry on in this hospital if it were not for the government grants" -- just introduced in this Legislature two years ago.

Not long after that I was down in the old southern part of Ontario, down in Winchester, where my honourable friend, the Minister in charge of Hydro (Mr. Challies) was born. I went there to visit that fine community, where they have erected a hospital, the first hospital to which this government has given a grant, of $1,000. a bed. I visited that hospital and met the people there. I saw the Women's Auxiliary; I suppose in that auxiliary there might have been twenty women there. I asked them how many women they had in their auxiliary and they told me they had over seven hundred women and they said the fact this government had introduced its hospital and maintenance grants which are now supplemented by the Federal government grants is making possible their vast building projects here in the province of Ontario.

I ask the gentlemen of this House to walk down University Avenue today and just look on one side, and they will find a great hospital being erected on the left-hand side of the street, and on the other side a hospital erected by the Mount Sinai Board, a very fine board here in the city of Toronto. See what they are doing. That is just a cross-section of this great province of ours. I think I gave you those figures, something in the neighbourhood of $2,000,000. a month being spent in hospitals in this province alone.

All sorts of things have been done. I could not begin to tell you the things that have been done. I see my hon. friend from Bellwoods (Mr. MacLeod) smile. Well, he made a suggestion here a year or two ago, in fact he made it two years. I refer to the matter of x-raying patients in hospitals. Also I think he asked -- I am not sure that he raised this point, but the question of workmen's compensation for people who contracted tuberculosis as an industrial disease in hospitals was raised. Mr. Speaker, both of those things have been done. Surely my hon. friend opposite (Mr. MacLeod) ought to be cheerful about such an advance as that.

MR. A.A. MacLEOD (Bellwoods): I am always cheerful.

MR. FROST: They think Canada is "going to pot", but after all, we are doing great things in this province of Ontario. Take the matter of welfare. I was just looking at the works of the Welfare Department which are being carried on in this province. I know last year there was much said about Old Age Pensions and after all, the policy we took was sound in that respect. I think my hon. friend, the member for Brant (Mr. Nixon) will agree that back in 1943 -- we both got into it together in 1943 -- we got into the matter of giving bonuses on old age pensions and we made a profound mistake in it. It was a matter for Federal administration and we should have left it there. I believe myself the old age pensioners would have got a greater measure of justice if we had left it there and left those things be revised, rather than tinkering into something that was not our business. I expressed that view here last year. Last year we went ahead and paid our twenty-five per cent and it was a clear invitation for the Federal administration at a very psychological time, to raise the pension to $40. a month which they did.

I told some of the hon. members of this House I was satisfied it would be done, and I think we were right in our forecast.

MR. W. DENNISON (St. David): You sound as if you were sorry.

MR. FROST: Why should I be sorry? My friend, you are not gloomy too, are you?

MR. DENNISON: You can't help but be, to sit over here.

MR. FROST: I think you have a lot of reason to feel gloomy with the intellectual outlook you people take over there, and with the leader you have got.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Let me say a few words on education. My hon. friend (Mr. Jolliffe) mentioned education and said he did not want to mention it, that he did not have time to deal with it. I do not blame him for not wanting to deal with it, for this reason: we can stand here in this House and say we have made more progress in education in every way than any jurisdiction in America in the last half dozen years.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: The other day I attended a meeting of rural rate payers in the Ryerson Institute. With the Hon. Minister of Municipal Affairs (Mr. Dunbar) I stood there in the old assembly room which Egerton Ryerson erected in the neighbourhood of a hundred years ago, and in that room which has seen so many teachers trained throughout all those intervening years, I could not help but think that if Egerton Ryerson were standing there today he would turn to us and say that we had made more progress in education in the last half dozen years than had been accomplished in the whole of the previous history of the

province.

If you do not believe it, if you are pessimistic about it, I say to you, get out of your pessimistic mood and come and see across the length and breadth of the province what is being done. Go out to Listowel, and see the school there; go to Cardinal, look at their school; see the little school up at Coe Hill and the school in Sudbury, where my hon. friend (Mr. Gommell) here comes from. Look across the length and breadth of this province, see the six hundred, going on for seven hundred, of these schools, and see what is being done by this government in the cause of education.

Our school grants increased from $8,200,000. back in 1945 to over $41,000,000. nearly $42,000,000. today.

I say to you, Mr. Speaker, that in the matter of education we have a great gift to give to the people --- that is one of the reasons we got these big majorities. I do not know what is going to happen to my hon. friends opposite when a general election comes along.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Take our highways -- $100,000,000. a year in this new plan. I do not like to talk in terms of $100,000,000 and so on, I prefer to talk in terms of human betterment. It is not so very long ago, only back in the regime of hon. members opposite when we had no snow-plowed roads in the province of Ontario. That has all come in since 1943.

MR. H. C. NIXON (Brant): Snow-plowed roads?

MR. FARQUHAR OLIVER (Grey, South): Surely not.

MR. FROST: Oh, I mean municipal roads. They plowed the big roads, where the cars passed along, but they didn't

plow the little roads for the little farmers on the side lines.

SOME hon. MEMBERS: Hear, hear.

MR. NIXON: You were asleep.

SOME hon. MEMBERS: Hear, hear.

AN hon. MEMBER: They had that thirty years ago.

MR. FROST: We have sought to transform rural life. You have seen areas growing up across the province of Ontario, where you have people who cannot "den up" for the winter, when we get heavy snowfalls.

MR. JOLLIFFE: You would need more snow.

MR. FROST: They will blame us for that in a minute too, if we do not have snow. If we have too much, they will blame us, they are not satisfied.

MR. J. B. SALSBERG (St. Andrew): You are the government.

MR. FROST: Mr. Speaker, in connection with rural life we have been interested in so many things in the fields in which we can operate in the betterment of rural life, and I do not know anything that gives me greater pleasure and I would say would help to get my hon. friend opposite (Mr. Jolliffe) out of his gloomy forebodings, than to motor across the countryside of this great province at night in any direction he wants to go. When I go through my old town of Lindsay, when I leave this city and go to my old town of Lindsay, and I motor over the bridges that lead to that very beautiful locality and look over the countryside, in these days when there are no leaves on the trees, and I see lights flickering all across the countryside, lights --

MR. SALSBERG: West Guildford?

MR. FROST: It makes me think of, I was going to say the

"enlightened" policies of this government.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: No wonder lights flicker, when we can say that in the last four years, the last five years, indeed, we have added over 130,000 rural users to our lines here in the province of Ontario. We have half a million, nearly 600,000 rural people, enjoying the benefits of electricity, which they did not have in the days of a few years ago -- half a dozen years ago.

Mr. Speaker, in all the things I have said, I have given you just a mere glimpse of the things we have done for the betterment of the people in the province of Ontario. And I may say we have a great program to carry on throughout the years to come. We are not pessimistic about the future of Ontario and Canada. We think we live in the greatest province in the greatest land in all the world.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: And we are going to go ahead on that assumptio and we are going to give the people the lead that we feel they are entitled to.

Gentlemen, let my hon. friend (Mr. Jolliffe) fear that democracy is going to be driven from the face of the earth and that democratic government is going to perish from the face of the earth. That is not going to be the case. We live in a dangerous world, it is true, but I think we live in a much better world than we did.

I was at a little gathering the other night and they were talking of conditions following the Napoleonic Wars. That may sound like ancient history --

MR. JOLLIFFE: That was before your time.

MR. FROST: What a great change is seen over the period of the years. We are making great advances, and may I say this to my hon. friend opposite (Mr. Jolliffe), that we regard the party to which I belong as a great rallying point for sound opinion in this province of Ontario.

MISS MACPHAIL (York, East): We do not.

MR. FROST: And we are attracting people to us. Obviously from these by-elections, we are attracting people to us from the other parties. We are asking for people of good, sound views to come and support this government of ours. I can say in doing that we are doing so because we are of confident of the future of Canada and of the future of Ontario, and we aim to co-operate with all people of good will, and all governments of good will in this land of ours for the betterment of our great country, Canada.

SOME hon. MEMBERS: Hear, hear.

MR. FARQUHAR OLIVER (Grey, South): Mr. Speaker, I move the adjournment of the Debate.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the House do now adjourn.

Motion agreed to.

The House adjourned at 5.38 o'clock P.M., to reconvene Friday, February 24th, 1950, at 2.00 o'clock in the afternoon.

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Volume 7.

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-FOURTH DAY OF FEBRUARY, A.D. ONE THOUSAND NINE HUNDRED AND FIFTY, AT TWO O'CLOCK P.M.

Toronto, Ontario,
Friday, February 24, 1950,
2.00 o'clock p.m.

And the House having met.

Prayers.

MR. SPEAKER: May I address one word to the hon. members of the House. I was quite satisfied with all the due dignity which is extended to the Speaker as he enters the House. However, it has been drawn to my attention on two or three occasions by visitors that perhaps we are a little anxious to leave the House before the Speaker has retired. I am wondering if we cannot adopt the same procedure as we did last year, while the Speaker is retiring there shall be no speaking on the part of private members. I know you are all anxious to get out but please be as quiet as possible. It is just a little thing, and I know you will be happy to co-operate so we may have proper dignity of the House from the very beginning to the very end. I know you will be glad to co-operate so there will be no criticism from our visitors with your anxiety to leave as soon as the Session is over.

Presenting Petitions.

Reading and receiving Petitions.

CLERK ASSISTANT: The following Petition was read and received: of the Executive Council of the Provincial Young Men's Christian Association of Ontario and Quebec, praying an Act be passed to change its name to the Executive Committee of the Young Men's Christian Association of Canada.

MR. SPEAKER: Presenting Reports by Committees.

Motions.

Introduction of Bills.

MINING ACT

HON. W. F. GEMMELL (Minister of Mines): Mr. Speaker, I move, seconded by Mr. Cecile, that leave be given to introduce a Bill intituled, "An Act to amend the Mining Act", and

that the same be now read the first time.

Motion agreed to; first reading of the Bill.

HOME OWNERS' EQUITIES

MR. G. B. ELLIS (Essex, North): Mr. Speaker, I move, seconded by Mr. Walters, that leave be given to introduce a Bill intituled, "An Act to protect Home Owners' Equities", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

WORKMEN'S COMPENSATION ACT

MR. J. L. DOWLING (Hamilton, East): Mr. Speaker, I move, seconded by Mr. Scott (Beaches), that leave be given to introduce a Bill intituled "An Act to amend the Workmen's Compensation Act", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

MINING TAX ACT

HON. W. F. GEMMELL (Minister of Mines): Mr. Speaker, I move, seconded by Mr. Cecile, that leave be given to introduce a Bill intituled, "An Act to amend the Mining Tax Act", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

POWER COMMISSION ACT

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, I move, seconded by Mr. Oliver, that leave be given to introduce a Bill intituled "An Act to amend the Power Commission Act", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

WORKMEN'S COMPENSATION ACT

MR. J. L. EASTON (Wentworth): Mr. Speaker, I move, seconded by Mr. Thomas (Ontario), that leave be given to introduce a Bill intituled "An Act to amend the Workmen's Compensation Act", and that the same be now read the first time.

Motion agreed to; first reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, before the Orders of the Day, I should like to make a statement in connection with what has come to be known as the KVP matter at Espanola. Before doing so, Mr. Speaker, may I say that in looking opposite I see the hon. members have all cheered up appreciably from yesterday, no doubt as a result of the speech I made.

SOME hon. MEMBERS: Oh, oh.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: I cannot imagine the purpose, Mr. Speaker, of blossoming out with those red roses. I hope that does not indicate a further turn to the left. I have always thought of my hon. friends opposite as being rather pink in colour, but when they start wearing red buttonholes, perhaps it means they are joining the hon. members down further on the other side of the Liberal members.

MR. E. B. JOLLIFFE (Leader of the Opposition): We are not blue anyway.

MR. FROST: I believe it is for the birthday of the hon. member for York, East (Miss Macphail).

MISS A. MACPHAIL (York, East): It is the birthday of hope.

MR. T. H. ISLEY (Waterloo, South): The birthday of freedom.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: That is the reason for the buttonholes today, however, perhaps another explanation will be forthcoming later. I cannot think of anything else other than the reasons I have mentioned to cause them to celebrate. Apparently there is some indication that we see in North Cochrane and Leeds where your vote keeps going down and down.

SOME hon. MEMBERS: Hear, hear.

MR. E. B. JOLLIFFE (Leader of the Opposition): In answer to the hon. Prime Minister's statement, the vote has gone up.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Well, when I step out of the role of being a statesman, I always look at the supporters you have.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: I should like to say a word to hon. members of the House on a matter that I know they are very interested in, and that relates to the pollution in the Spanish River at the plant which has come to be known as the KVP plant at Espanola and the difficulties that exist there. As a preface to this statement, Mr. Speaker, may I say that we do not regard lightly the matter of pollution of our streams. Indeed, we think it is a very serious matter and we have already taken action in this House and outside of this House to emphasize the fact that we think the pollution of our streams is an extremely serious matter which we on this side of the House do not hold lightly. We do not hold lightly the rights of individuals to protect their interests in the courts of this land. That is, in itself, a very important matter which we in no way hold lightly. We also regard as a matter of high importance the employment

of our people and we do recognize that in these days of industrialization and the expansion of industry and the increase of population in areas of the province that we are bound to get a certain amount of pollution in our lakes and streams. At the same time, we are determined to hold that to the least possible limit. I might just give this little explanation for some of the hon. members who are not familiar with it. The KV plant I believe was re-opened or opened in Espanola in 1946. Previous to that time, Mr. Speaker, there had been a plant there, I believe it was one of the Abitibi plants which had been closed down with the result that the community of Espanola became very much a ghost town, as did that very fine section of Ontario. In 1946, due to forward-looking policies, that plant was re-opened. We have an investment in that community of something in the neighbourhood of $20,000,000. but what is more important, we have the employment of thousands of Canadian people, and we have a fine community in Espanola. I shall refer to that in just a moment. As a result of the action of the company there in undoubtedly polluting the water of the Spanish River, action was brought by certain people who were interested in the river, with the result that an injunction was granted by the courts of this province. Following that, and I take this from those who have seen me from Espanola, and I gathered from what they have said they have not only seen me but also the hon. Leader of the Opposition (Mr. Jolliffe) and the leaders of the various groups in this Assembly. I imagine that is true and therefore much of what I say has been given to them by the residents of that community. As a result of that, undoubtedly the industry up there took great corrective measures with

a view to removing what was a pollution of that stream and I understand, -- I shall refer to this in just a moment in the prepared statement I will make in connection with this -- that these corrective measure have gone a very long way towards correcting the pollution at that point.

In the meantime, last year in this Assembly you will recollect that legislation was passed which brought pulp companies within the terms of the legislation that was held within the statute books, but the court held that that legislation did not apply to this particular case, and therefore the injunction still holds, and the injunction could become effective on the fourth of April, with the effect that the plant would be closed down and there would be the loss of employment in which the people of that community are particularly interested.

Mr. Speaker, I think we should do this, that we should make to this House a definite statement on policy of the course that we intend to pursue. I can assure you of this, that we have no intention of putting people of that community out of employment, we intend to keep employment going. At the same time, we intend to protect to the fullest extent that we are able the interests of the people of the province of Ontario.

With that preamble, I might just give you this prepared statement. Representations have been made to us concerning the operation of the Kalamazoo Vegetable Parchment Plant at Espanola. We have had representations from the people of Espanola representative of the municipalities and the residents, and I might say a very i pressive delegation it was from that community. It included merchants, doctors, clergy, farmers, guides, fishing and game associations · labour and

other interests, and my recollection is there were at least two different labour unions represented. I also had representatives of the various political parties in the community. I do not like to bring this down to the level of introducing political parties but I think I might say that the representatives of the various political parties in the community were also represented on that deputation, and I could not but be impressed by the sincerity of these people. They asked that the injunction which was obtained in a suit by certain plaintiffs in a case against the KVP Company should be dissolved. These persons, representative of the people of Espanola district, stated to the government unequivocally that in their opinion the company was doing everything possible to prevent undue pollution of the Spanish River. They additionally presented a petition from the residents of the community asking that the injunction be dissolved, otherwise the plant would be closed and the community would be ruined. I think in that petition there was something in the neighbourhood of two thousand signatures.

The government is most desirous of doing everything possible to prevent the pollution of our lakes and streams. It is recognized that with growing population and industry some pollution is inevitable, nevertheless, it is the policy of the government to keep any pollution at the lowest possible level. The government has, therefore, decided to ask the Ontario Research Council to take over the duty of examining into the situation to assure that every reasonable step, scientific and otherwise, is now taken, and will be taken in the future by the company so that pollution will be reduced

consistent with reasonable practice. The Ontario Research Council will be given unlimited powers, not only to investigate this special problem but also to consult authorities in other countries as to the most advanced practices in dealing with the problems of pulp mill waste. The Council will be asked to advise in the light of their inquiries and investigation into this whole matter as to what additional measures are required to reduce pollution by this company in this area. Hon. members of this House will recall that the Research Council is now under the chairmanship of Dr. Wallace of Queen's, and the secretary is Prof. Wilhelm, formerly of the Toronto University staff, with a wide representation from scientific sources.

Negotiations between the parties to the dispute have been under way for some time and are continuing. I understand, that further meetings are to take place early in the week. It is to be hoped that a satisfactory settlement can be reached between the parties concerned that will be satisfactory to the government from the standpoint of public interest. When there is a dispute between certain persons, the duty of the government is to see that everything is done in the public interest, and we intend to follow that out. The mere fact that there is a settlement between the plaintiff and defendant in this case does not mean the end of it entirely, as far as we are concerned. The government is willing to be represented at these negotiations and to endeavour to bring about an amicable settlement.

Now, I underline this, Mr. Speaker. If, however, a settlement cannot be reached between the parties, it will be necessary for the government to take whatever steps may be appropriate to settle the matter in the best interests of all

the people in Ontario from the viewpoint of the continued operation of the company and the reduction of unnecessary pollution in the river, and the public may be assured that the government will take whatever steps may be necessary to bring about the continued operations of this company so that the employment conditions in Espanola shall not be disturbed and that the development of the community will not be retarded.

It just reduces it to this, that we respect the rights of those persons, and we are hopeful that they will be able to come to a solution early in the week in connection with these matters, and this solution has to be consistent with the policy of this government and with the interests of the people of Ontario. If they do not arrive at a solution, then we are going to bring the matter to this House and we are not going to have the plant closed down and people thrown out of work. I think that makes our stand perfectly plain.

We have been in the past, and we are still, very much interested in the pollution question. In this very area we had disgraceful conditions in Lake Ontario where great oil slicks were allowed in Lake Ontario and they washed up on the beaches, rendering our beaches in an unfit state for human beings to use. Last year we took strong steps to assure the inspection of all sources of pollution on this land side of the Lake, that is, in the province of Ontario where we have jurisdiction, and that is continuing. We are not at all satisfied about it. Last summer there was some carelessness on the part of some industries in Ontario but we have taken strong steps to prevent that, and we intend to prosecute any sources that allows anything of that sort. We did find one case of

oil becoming free in the lake which was caused by accident. It might have happened at any time but that does not mean we are going to permit the same kind of accident to continually happen. If that occurs often, we will not take such a lenient view of the particular case I referred to.

One of our great difficulties, of course, is the pollution that may be caused by lake steamers. We have in the lakes, steamers under our own registration -- that is Canadian registration -- American registration and ships that are not too large to come up the present St. Lawrence canal, with the result we have sailing into our waters ships of foreign registry.

It became quite clear after an investigation that some of this pollution was caused by ships cleaning out their tanks and dumping waste oil and putting it in the lake. You may be able to do that in some lakes, perhaps, but not in Ontario, and you can do that, perhaps, in some oceans, but we do not want that to happen here. We immediately took it up with the Federal administration and the hon. Prime Minister of Canada took action and referred it to the Department of Transport and the Department of Health. Today in Toronto we are having meetings, and Dr. Berry and some of the other officials are conferring with the Federal government with a view to relieving that situation. The great lakes are very divided, in that you have the Ontario side, you have the international waters, and you have ships of foreign registry, and on the other side you have the American government and several states along the southern part of the great lakes. So the problem there is not an easy one. I can assure you, Mr. Speaker, that everything is being done to prevent pollution of our great lakes

and this is being worked out in line with the general policies of the government.

MR. C. CALDER (London): Mr. Speaker, may I inquire of the hon. Prime Minister (Mr. Frost) whether this precedent indicates that investigations are now to be conducted more speedily by the Research Council rather than more slowly by Royal Commissions?

(Take B follows)

MR. FROST: Perhaps the hon. member (Mr. Calder) would clarify what he has in mind.

MR. CALDER: Pretty weak, Mr. Speaker.

MR. H. C. NIXON (Brant): Better turn it over to the hon. Minister of Education (Mr. Porter).

MR. FROST: I have been endeavouring to educate the hon. members opposite.

MR. SPEAKER: Orders of the Day.

Hon. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

"1. Report of the Board of Governors of the University of Torohto for the year ended June 30th, 1949.

"2. Report of the Minister of Lands and Forests of the Province of Ontario for the fiscal year ended March 31, 1949.

"3. Copies of Orders in Council numbers 709, 1652, 1694 and 198 of the Northern Development Act."

MR. SPEAKER: Orders of the Day.

Hon. L. M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the Chair, and the House resolve itself into Committee of the Whole.

Motion agreed to.

House in Committee; Mr. Patrick, in the Chair.

Hon. LESLIE M. FROST (Prime Minister): Order No. 22.

ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

CLERK OF THE HOUSE: 22nd Order, House in Committee on Bill No. 35, "An Act to Incorporate the Ontario Municipal Improvement Corporation", Mr.Dunbar.

On Section 1.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Chairman, on Section 1, I believe the departments most directly concerned with this matter will be the Treasury and the Municipal Affairs. What I have to say is really more of a question than a comment. Is it anticipated that this corporation can be operated with existing personnel, or will it be necessary to employ new people?

MR. FROST: No, Mr. Chairman; it is not our intention to employ additional people. You will recall the Housing Corporation was incorporated for the purposes of housing, and the officers are some of the senior officials of our department, and it is our intention here to do the same thing.

MR. J. G. BROWN (Waterloo North): Mr. Chairman, I believe the Housing Corporation was incorporated with share capital. This is without share capital. Is there any significance in that?

MR. FROST: I think the Housing Corporation is without share capital.

MR. BROWN: In looking at the statement in the public accounts, I thought there were must a nominal number of shareholders. I may be wrong in that.

MR. FROST: I will have to look that up. They get all their money from us anyway.

Sections 1 to 4 inclusive agreed to.

On Section 5.

MR. JOLLIFFE: Mr. Chairman, again I wonder if the hon. Prime Minister (Mr. Frost) could give an indication of the intention or anticipation. Does he anticipate

that the debentures will be sold by tender or otherwise?

MR. FROST: Mr. Chairman, does the hon. Leader of the Opposition (Mr. Jolliffe) mean to say debentures which are acquired by the Corporation for re-sale?

MR. JOLLIFFE: The section 4 refers to, "debentures, bills or notes issued by the Corporation", and section five refers to the advertisements for the sale by the Corporation of any of its debentures.

MR. FROST: This Corporation can borrow money by the sale of its debentures, and if that is so, then it states to the public what the practice is.

MR. JOLLIFFE: Yes.

MR. FROST: On the other hand, I assume the hon. Leader of the Opposition (Mr. Jolliffe) has reference to the sale of debentures which may be purchased by the Corporation. This is a Corporation with the powers of borrowing up to $50,000,000. on the credit of the Province. The purpose of the Corporation is to facilitate municipalities in selling their debentures, and preventing particularly the smaller municipalities from being faced with very high rates of interest, as was explained the other day.

It is not our desire to acquire and hold great numbers of debentures if we can avoid it, and, therefore, we would re-sell the debentures if the possibility arose. In our sales of any debentures which we acquire from municipalities,to the public, we want to get our money out of them. We will not sell them at a discount. We would then use our $50,000,000. as a revolving fund.

MR. H. C. NIXON (Brant): Mr. Chairman, may I

interrupt there? There was no thought, of course, that you would guarantee these debentures.

MR. FROST: Oh, none whatsoever. May I refer to a matter of somewhat interesting history? I was spoken to by somebody who was not too enthusiastic about this type of financing, and he referred to the old arrangement made way back in the seventies by the Mowat Government, rising out of transactions before Confederation. The Government of those days acquired certain debentures, and afterwards they wrote them off. The reasons, of course, were plain.

In those days they had no municipal boards to intervene between the government and the municipalities; there was no the municipal credit there is today; this has absolutely no bearing on the present case at all. If the hon. members are interested, they will find reference to that in Seegar's "Life of Oliver Mowat".

However, in this particular situation, we have no intention of guaranteeing any debentures at all. If the work is approved by the Municipal Board, and they are sound works and meet with all the requirements of the Municipal Act and of the Municipal Board, then we take the debentures at the rate of interest which has been indicated here, and if we can afterwards sell those debentures or use them for some other purpose -- perhaps for the sinking fund, or some other purpose; one does not know what they might be used for -- in any event, it is our intention to make the fund a revolving fund.

MR. JOLLIFFE: But neither section 4 nor section 5 relates to the acquisition of debentures by the Corporation. They specifically relate to the debentures of the Corporation itself, which have already been authorized by section 2.

Now, whether it is a revolving fund or not, it becomes necessary, under this kind of section, for the Corporation to borrow money, by way of debentures, bills or notes. Sections 4 and 5, as I see them, relate to the manner in which that money may be borrowed.

Now, my question is whether you contemplate the sale of debentures by tender or otherwise.

MR. FROST: I would say, Mr. Chairman, that I cannot answer that question. It would depend upon the circumstances. That raises a question, of course, which is broader than the question which the hon. Leader of the Opposition (Mr. Jolliffe) has asked, There is much to be said in ordinary circumstances for the sale of debentures by tender. On the other hand, remember that the sale of debentures by tender is one thing, and selling them to the public and getting your money is entirely another thing, and I think the hon. members opposite, in their day, had experience with that situation, as we have now.

For several years past, we have found that it was a pretty sound financial policy to deal with a large very strong group of financial men. In our case, it has been largely under the management of Wood Gundy and Company; with the Hydro, it is largely under the management of the Bank of Montreal. We have gone into the matter repeatedly, and we have found that with the size of our financing and the requirements of our financing -- not only that, but comparing our rates with the rates of interest obtained by other jurisdictions in Canada, indeed in America and the federal government -- we felt that we are doing a good job.

In this particular case, whether we might take the smaller issues and open them up for sale by tender is a question I think we will have to determine when the matter comes up. After all, our interest is to obtain the best terms we can get for the people, having regard to our general financial picture.

MR. C. H. MILLARD (York West): Mr. Chairman, sections 4 and 5 seem to be a bit confusing. I understand the intention is to buy debentures for municipalities for the works outlined in section 1. These debentures will have to be authorized by the Municipal Board before the Corporation may deal with them, to provide the necessary money for these operations.

Now, what about the debentures which are going to be issued by the Corporation itself? Is there going to be any supervision of that, beyond the Board of Directors involved in the situation? What is the limit going to be? If the Board will buy debentures and, according to the statement made here today, will sell those debentures on the open market, if such can be done, you might sell $500,000,000. worth on that basis, but still be in a position to make the $50,000,000. a revolving fund, keeping on buying them and transferring them over. Is that the intention? Will they be pyramided to that extent?

MR. FROST: They can be re-sold. Section 2 gives power to borrow $50,000,000. I would be hopeful that $50,000,000. would be adequate. I would hope that if debentures are acquired, they could be sold to private persons or corporations, and the fund would stay within the $50,000,000. limit; in other words, that it would be a

revolving fund.

Section 4 is more or less a routine section. It says:

> "Every debenture, bill or note issued by the Corporation shall contain a statement in the body thereof that it is issued under the authority of this Act, and no debenture, bill or note purporting to be issued by the Corporation shall be valid unless such statement is so contained."

Then section 5 says:

> "Every advertisement for the sale by the Corporation of any of its debentures, bills or notes, shall contain a statement that the issue and sale of the debentures, bills or notes are made under the authority of this Act."

MR. J. G. BROWN (Waterloo North): Mr. Chairman, there seems to be some confusion between section 5 and section 11, which we have not yet reached.

Section 5 deals with the employable capital of the Corporation itself, as I take it, and section 11 deals with the sale of those debentures as the Corporation sees fit.

As I understand this, possibly for the first six months or so the government will borrow through the banks, and possibly in due course will consolidate their borrowings, and may at that time issue debentures by the Corporation, and these will be secured by the Provincial Government itself. Am I right in that?

MR. FROST: There is no guarantee of any municipal

debentures.

MR. BROWN: No. You have "got" me wrong. But you will guarantee the debentures of this Corporation?

MR. FROST: Oh, yes, that is right.

MR. JOLLIFFE: Mr. Chairman, that raises a very interesting point which comes up here, as well as in section 11. I cannot follow the hon. Prime Minister (Mr. Frost) in what he said. There are two classes of debentures involved here, the Corporation's own debentures, and those, let us say, by the municipality of "Birds Eye Center". The hon. Prime Minister (Mr. Frost) says on the one hand the Province will guarantee the debentures issued by the Corporation itself, but, on the other hand, the Province will not guarantee the debentures issued by and purchased from the Corporation of "Birds Eye Center". But, it seems to me, if the debentures from "Birds Eye Center" and purchased by the Corporation are not guaranteed by the Province, the Corporation will not be able to sell those debentures at a very satisfactory price. In other words, the Corporation will have to hold the Birds Eye Center debentures, and rely on its own borrowing power to carry on, until the debentures mature.

MR. FROST: Mr. Chairman, our original conception was that we purchase and hold them. But, it later transpired that, for instance, the City of Windsor may issue $3,000,000. of debentures --

MR. JOLLIFFE: Why do you mention "Windsor"?

MR. FROST: They have been going around and seem interested in this matter.

MR. G. I. HARVEY (Sault Ste. Marie): Why not take

"Birds Eye Center"?

MR. FROST: All right, let us take Birds Eye Center. After all, that may be the name for a new municipality in Ontario.

Supposing we acquire $2,000,000. in debentures, how will it work from the standpoint of the Municipal Act? They are o.k'd by the Municipal Board, but, nevertheless, on account of the small amount of the debentures, or for some other reason, they are not saleable to private people at the rate we can provide.

That situation may change in a year or six months, and they may become saleable, in which case we would sell them to the public, but without any guarantee. We would simply acquire the debentures and sell them.

MR. JOLLIFFE: Perhaps you are a little over-optimistic.

MR. FROST: No, I am always an optimist.

MR. C. C. CALDER (London): Mr. Chairman, I am wondering why the hon. Prime Minister (Mr. Frost) has not said in so many words that the debentures of the Corporation shall be payable only in Canadian funds? Do you wish to give youself more latitude, or are you looking too far into the future?

MR. FROST: Leave that to me. We have not borrowed one dollar from the United States, except for re-funding purposes, and we have no intention of doing so.

Hon. GEORGE H. DUNBAR (Minister of Municipal Affairs): Mr. Chairman, I think I should take the responsibility for having that change made in this Bill, and having a revolving fund, because I have been criticized by people who said that

$50,000,000. would not be sufficient, but both my deputy and I thought it was better to have it run that way, and if we found out at the end of the year that $50,000,000. was not sufficient, we could sell some of the debentures to get funds to carry us over, until this Legislature meets again. That is why it was put in.

MR. BROWN: Mr. Chairman, that brings up a point. Is it the intention of the Government to review this company from time to time, and perhaps increase the amount of $50,000,000.? This is a Corporation incorporated with $50,000,000. capital. Are you going to review it every year?

MR. FROST: We do not anticipate that, but one does not know the growth of this great Province.

Sections 5 to 10 inclusive agreed to.

On Section 11.

MR. L. E. WISMER (Riverdale): Mr. Chairman, on section 11; I am rather concerned about the fact of the first three sections with section 11, thinking of Ontario's cost of financing.

Under the earlier section, the Corporation has power to buy only securities from a municipality, in other words, a new issue of debentures. That is definitely limited in section 1.

In section 3, there is provision for the ability of the Corporation to maintain a balance between what it can buy and the amount of money it had borrowed, to make the purchase; in other words, between its borrowings and the redeemable feature of the Corporation debentures, provided for in section 3.

In this section 11, it gives the power to the Corporation to sell the new issue, to hypothecate the new issue, or otherwise dispose of it. I am quite in favour of that. I think that is sound. That keeps the fund revolving.

The point I am trying to make is this; under section 3 the debentures which the Corporation sells in order to obtain funds to buy municipal debentures shall be redeemable, but I am sure it would not expected they would be redeemable on a moment's notice. I doubt if that sort of debenture can be sold in our money market. In a year when the opportunity presents itself for selling these municipal debentures, you may not, at the same time, have favourable conditions for the purchase of more debentures, that is, new issues from municipalities, and the Corporation will then be in the position that they will have borrowed money on which they must pay interest, and yet not be able to loan that money at all. In other words, no use could then be made of those funds.

I would like an explanation, if this has been thought of.

Under section 1, you can only do one thing with the funds. It would seem to me that either section 1 or in this section 11, there should be some additional flexibility, something that would provide for the use of the funds of the Corporation, when it is not possible to use them to buy new issues of municipal debentures, which is the only way they can be used under section 1.

In other words, I am wondering if the hon. Prime Minister (Mr. Frost) might agree that in section 11 there

might be an additional word such as "to sell, hypothecate or otherwise dispose of, or re-purchase" municipal debentures, back into the fund, if no new issues are available, at least until such time as the redeemable features in the Corporation be applicable? I can see the chance of several millions of dollars having to lay idle, under this legislation, when you have to pay interest on it.

MR. FROST: Mr. Chairman, I will say to the hon. member (Mr. Wismer) that we will always endeavour to keep our long-term debentures, which are issued by this Corporation, for the purpose of providing the money with which to buy municipal debentures, well in hand. I do not think there is any possibility of the situation he mentioned arising, for this reason; we would probably borrow from the bank initially on short-term loans, and when it comes to a point we were sure we had certain debentures which were going to be held by the Corporation, we would then acquire the debentures, which would meet the situation.

Perhaps I might put it this way: supposing $5,000,000. was borrowed from the bank, and finally we found that we have $3,000,000. in such debentures issued by the municipality. It may then become the time to borrow that money for a period of 20 years, or whatever the period is for which we will require that money. That balance will always have to be maintained somewhat on that basis, and I think the matter can be kept well in hand by using short-term money as it is required, and as we can obtain it from the loaning institutions, in order to meet that situation. In the end, that may have some reflection in a lowered

interest rate to the municipalities. These things have to be tried out by trial and error.

MR. WISMER: Mr. Chairman, to finish this up, may I say I can see that what the hon. Prime Minister (Mr. Frost) is saying can work out quite satisfactorily if they are dealing with, say, $8,000., $10,000. or $20,000. issues of smaller municipalities. I say this is good legislation, from that standpoint. The municipalities which would have to find credit may not be well enough known or sufficiently large to have a bonding company handle their issue.

But suppose a municipality of a larger size decided to build a waterwords, or a sewer system or whatever is provided for, which may involve $3,000,000. or $4,000,000. or $5,000,000.; at that particular moment in time they could get a better rate from this Corporation than they could obtain in the money market. In the jargon of the money market, "a sold issue is a better issue on the market than an unsold issue".

This is important. If this Corporation buys an issue of, say, $3,000,000. or $4,000,000. for some large undertaking in one of the larger municipalities, then the same issue if re-sold by the Corporation, will command a better price in the money market than it would if it was a new issue. Therefore, the Corporation will perhaps be in this position, from time to time, when it will be difficult to turn down a bid from the money market for large holdings which it may have, and it is that situation, I feel, there should be some way of guarding against.

When, for instance, the Corporation could easily get

rid of a $3,000,000. issue by the newly-named Birds Eye Center, in this Province, at a good price, and would like to sell, and had gone through the process of borrowing from the bank on short terms, perhaps even with the hypothecation of these bonds, and has this money borrowed for 20 years, on some sort of a redeemable feature, which might not work for two years, it must pay interest on the $3,000,000., with no place under this legislation where the $3,000,000. could be invested. It cannot be invested in anything, under this legislation. I think we have to face up to this possibility.

MR. FROST: Mr. Chairman, I think the hon. members opposite will agree with me when I say we do not want this Corporation, as it were, to be a trading and bartering corporation, dealing generally with municipal securities all the time. I do not think that is a very desirable thing. On the other hand, if that situation arises, if it appears that power is needed -- and the experience in a year or so will indicate that -- we can come back to the House and get the needed powers.

I would rather think that it would be possible to keep the borrowing powers of the Corporation in line and under control. I can quite see the point raised by the hon. member for Riverdale (Mr. Wismer), and I think it is well taken from this standpoint; if the Corporation goes out and borrows too much long-term money, and has not the securities there against it, then, of course, the Corporation would incur a loss.

(Take C-1 follows)

I think our officials are a body too hard headed to get into that position. We will endeavor to balance our long-term borrowing with our short-term bank borrowing which we can make under this sameAct with the securities which we clear and we will always try to keep that position well in hand. If we run into difficulty there, the best thing to do is to come back to this House and get power to do it, to be frank with you. It is not the conception of this Act that we should encurage a loss of market trading on the part of this company, that is not a good thing to be engaged in. We want to keep it down to the original purpose of the company, that is to provide money for the municipality at rates of interest which are attractive enough to encourage them to go ahead with much needed works in the province of Ontario. We will see how this works out over the course of a year and if additional powers are needed, we will come to the House and ask for them. I am hopeful that they would not be needed.

MR. J. B. BROWN (Waterloo, North): Mr. Chairman, I do not with to prolong the debate on this section, but the hon. Provincial Treasurer (Mr. Frost) has assured us that the corporations owing debentures will be secured by the province of Ontario or guaranteed by the province of Ontario. He has also advised us that these debentures which will be resold by the corporation will not be endorsed or at least guaranteed by the province of Ontario. Now, I am just wondering if there should not be some sort of moral obligation by the province of Ontario on these debentures which are sold to a third party. Does the province of Ontario---that is selling these bondsor debentur s to the third party. When we hon. members in this group go into office, we do not want to be saddled with a number of these debentures that have been sold2 to the third parties, if, as and when any of them go into default.

HON. G. H. DUNBAR (Minister of Municipal Affairs): We cleaned up the housing for you.

MR. FROST: Back in Lindsay they say, "If you want to be good friends with a person, never back his note."

MR. H. C. NIXON (Brant): This government has backed lots of notes. Three hundred million dollars.

Section 11 agreed to.

On section 12.

MR. L. E. WISMER (Riverdale): Mr. Speaker, I think there are several hon. members who want to speak on section 12, but my point is rather different from the others. I see nothing in this section or any other section which provides for what might happen to any profit or losses and what the hon. Prime Minister (Mr. Frost) was saying a few minutes ago suggest there could be some profits. I would like to remind hon. members of the House that borrowing money from a bank on a short term note ought to give us a loss in interest on what you are going to charge municipalities on 20-year debentures. It might be 2%, Mr. Chairman. I was wondering what we could do with that money. There does not seem to be anything in this Act that provides for the money. What happens when you borrow $50,000,000? You have violated the Act, I suppoe. I am just wondering what happens to these profits or losses.

MR. FROST: The hon. members will recall a year or two ago the money we had from the Supreme Court. That went to the Universities. We can always find good places for money. I think it is apparent after the workings of this company are widespread it is possible to have losses. The hon. member for Riverdale (Mr. Wismer) understands that. If there are profits which accrue I should think it would be the course of wisdom to hold it as againstthe possibility of losses some day from some section. There are all sorts of things that could happen. The community may instal certain works and we may assist them and perhaps some disaster could happen, and a community burn down or something of

that sort and losses may come about. I think it would be best to hold anything that may accumulate as against possibilities of loss in the future. Again, it is a matter that no doubt there will be inquiries made about works of this corporation and profits that it might make and it is always subject to scrutiny of this House or provincial officers.

MR. WISMER: In that respect, Mr. Chairman, am I right in believing that the implication of the hon. Prime Minister (Mr. Frost) remark is that in many cases the province would have to pay on 20-year debentures would be the same as they are paying to small municipalities?

MR. FROST: No.

MR. WISMER: So, in all cases there would be a profit on all funds. It would be of very great interest in obtaining some differentials in markets if the province of Ontario's credit is sound and certainly it is. Take it on the basis where this can be arranged, surely a long term borrowing rate of the province is a cheaper one than anything else outside, and surely can produce profits.

MR. FROST: Well, we are hoping to keep it as close as we can to costs.

MR. J. G. BROWN (Waterloo North): Dealing with that item, Mr. Chairman, quite apart fromthe losses, when you get to $50,000,000, that will be your capital and whatever profit there is accumulated will be available for reinvestment in municipal debentures.

MR. FROST: That is possible.

MR. JOLLIFFE: Not authorized.

MR. BROWN: I agree with the hon. member for Riverdale (Mr. Wismer) that some disposition of these profits should be made.

MR. FROST: Well, we will cross that bridge when we come

to it. It would be a very pleasant job but at the present time I do not think it would be necessary.

MR. JOLLIFFE: This is a little different point, it may have escaped the attention of the government when the Bill was drafted and it certainly escaped my attention until today. I was interested to hear what the hon. Prime Minister (Mr. Frost) said the other day regarding the authority of the Legislature and it was gratifying to hear it said so well by him. I am not moving an amendment, but what I am going to do is to ask the hon. Prime Minister (Mr. Frost) to consider holding back section 12, or the appropriate section whatever it is, and require that the report of this organization should be given to the Legislature as well as to require that the auditor's report be given to the hon. Provincial Treasurer (Mr. Frost).

MR. FROST: The practice is to table reports of that sort.

MR. JOLLIFFE: But in a good many statutes it is expressly required, is it not?

MR. FROST: Yes, but as far as tabling a statement of this corporation, we are perfectly willing to do that.

MR. JOLLIFFE: Well, if that is going to be the practise, I am pleased to hear it, but it did seem to me that in this day and age of legislation which has been much criticized that it a sound principle to have it right in the Bill. I suggest --- and there are many people of all shades of political opinion to agree with me --- that it ought to be right in the Bill.

MR. BROWN: Mr. Chairman, I think, perhaps -- along that same line; I am presupposing that the Audit Act will be amended --- there is some reference to it in the Speech from the Throne and it seems to me that the wording in that section should read something like this, "And such auditor shall make an annual report of the audit, in accordance with the provisions of the Audit Act," or something to that effect.

MR. FROST: Or you could simply add these words, "And such auditor shall make an annual report of the audits to the Treasurer of Ontario who shall table the same at the nex t following Session of the Legislature." That would meet the point. All you want is the auditor's report.

MR. BROWN: Yes, but I do not want it to go only to the hon. Provincial Treasurer (Mr. Frost). I want it to go to this Assembly.

MR. FROST: The point is, it goes to the Provincial Treasurer who tables the report. It has to make the report to somebody. He makes his report to the Provincial Treasurer and the Provincial Treasurer tables it in the Assembly. That meets the situation.

MR. J. L. EASTON (Wentworth): Mr. Chairman, is it the intention to fix a set rate of interest on all bonds to the small municipalities? What I mean by that, in the event that the province operated to borrow at the same rate of interest, will not the rate of interst be increased then to the smaller municipalities and after our own profits is there a possibility that we may have to make a reduced interest to the municipalities?

MR. DUNBAR: You would have the toboggan, too.

MR. FROST: Well, Mr. Chairman, I should think that that is perhaps a little more than is required but suppose these words were added to section 12, "Who shall table same at the next following Session of the Legislature." I think that would meet the situation. I have a communication here of importance in which I think the hon. leader of the opposition (Mr. Jolliffe) might be interested, so I will send it over to him.

MR. JOLLIFFE: Is this to cheer me up?

MR. FROST: It may be that Mr. Atlee has communicated directly with him inthe meantime.

MR. JOLLIFFE: That is fine, you are determined to cheer

me up. The hon. Prime Minister (Mr. Frost) sent me figures of which I now read:

Labor 311

Conservatives 286

Liberals 7

20 seats to be heard from yet.

MR. NIXON: No Communists?

MR. JOLLIFFE: No, definitely no Communists.

MR. DUNBAR: An awful shange.

MR. FROST: My very poor efforts at amending that section have not met with favor. Perhaps this woud be better:

> "And the Treasurer shall table the report in the Assembly if it is in session, or if it is not, at the next ensuing Session."

I move, Mr. Chairman, that those words be added to section 12.

Amendment agreed to.

Section 12 agreed to.

On section 13.

MR. JOLLIFFE: Mr. Chairman, this section is the one under which much of the powers of the Corporation will be administered and, of course, it is an important section. Just how it is administered seems to matter a great deal to the hon. member for Essex North (Mr. Ellis). He has drawn to my attention a very interesting reference inthe Windsor Star of Wednesday of this week to a somewhat similar Act. I suppose it has been studied by the government. The Star says:

> "Prime Minister St. Laurent speaking in the Throne Speech debate on Monday suggested that municipalities with an abnormal rate of unemployment might help themselves by carrying out necessary public works such as new water works systems, sewers

and sidewalks. The hon. Prime Minster's suggestion has served to remind some M.P.s with municipal experience of the Municipal Improvements Assistance Act which was passed by the Federal government in 1938. A total of $30,000,000 was set aside under this legislation to assist municipalities with low interest loans for self-liquidating projects. After some $7,000,000 had been borrowed by municipalities up to 1941, the remaining $23,000,000 was frozen with the exception of a few small loans to Quebec municipalities up to 1944, but the Act was never repealed. At least one M. P. intends to ask Ottawa to unfreeze the remaining $23,000,000. The interest rate under the legislation is 2%."

Now, I presume that the so-called freezing of the Federal government was due to the war. It was in 1941 and I suppose it was thought inadvisable to permit labor or materials to go into that kind of project during that period. I wonder if thehon. Prime Minister (Mr. Frost) could inform us ifhe knows whatthe intentions are regarding this Bill. I would rather get the money from Ottawa at 2% than from the provincial government at 3%.

MR. FROST: An Act was mentioned in one of Mr. Dunning's budgets back in 1937 or 1938.

MR. JOLLIFFE: Passed in 1938.

MR. FROST: I think the interest rate was to be at 2% but I am not sure about that rate of interest. I think the hon. leader of the opposition (Mr. Jolliffe) when hegoes to get the money would be disappointed and find that it was 4% but, in any event, for some reason or other, that legislation was never a success, it was never acted upon to any extent.

The amount of loans under it were very small and the matter was closed out. It may be that perhaps the Federal government felt that it was difficult for it to deal with a matter that was closely related to provincial administrations. After all, they are dealing with nine provinces. In our dealings with this, we have the intervention, for instance, of the Municipal Board. I can see that there was difficulty from the standpoint of Federal administration.

MR. JOLLIFFE: Is there not a Municipal Board in other provinces?

(Page C-9 follows)

MR. FROST: That is so, but I suppose from the standpoint of actual administration, it might have been an expensive Act for them to have administered. They would have to have officers who were in touch with the Municipal Boards, if there are such, in the various Provinces, but in any event, that legislation I know is not a success. And not only was it not acted upon, but for many years, no loans have been made under the federal Act.

MR. JOLLIFFE: I do not want to make presumptuous suggestions, but if they are going to loan this money which is available at two percent., perhaps you could get some of it.

MR. FROST: My eyes are always open to that. If there is any money around at two percent., I will be after it. It may be there is one point they forgot to tell you about in the Windsor Star. These loans have to be guaranteed by the Provincial Government. The federal government did not make any loans until the loans had been guaranteed by the Province.

MR. WISMER: I think any loans guaranteed by this Province ought to get two percent. anyway. On this section I would again like to raise the question of where the profits go from this Corporation, and it would seem to me that almost everything else is covered except what happens to the money you make. It does not seem reasonable to me that this Corporation will not make money. Now, that being the case, something should be written in, that the money shall be transferred to the Consolidated Revenue Fund, so that

the accumulation of profits in the past may be used for buying additional debentures, disregarding or notwithstanding the $50,000,000. limit on the borrowings of the Corporation.

MR. FROST: I think I will do as Mr. Asquith, I will wait and see.

MR. DUNBAR: I think you have overlooked one point. There is money coming in from the debentures being paid each year. You will not have to sell the debentures. Many municipalities will be paying them from year to year. If there was $50,000,000., in ten years from now, there would be $25,000,000. paid altogether. It would not be necessary to sell any of them.

MR. WISMER: I think the hon. Minister (Mr. Dunbar) misunderstands my point. I am not talking about selling debentures, I am talking about profits which you will make in the Corporation, buying other borrowed money cheaper than you are lending it to any municipality. I think it is rather important. I do not think we should pass legislation of this sort when it is quite plain that the Corporation will make profits and nothing to indicate how the profits are to be used, and it seems to me the most logical way to make use of this is to allow further debentures to municipalities, and I think that should be written in as another section. That money should be used for the purchase of debentures notwithstanding the capital limit of $50,000,000., and I think that is a reasonable suggestion.

MR. FROST: The hon. member (Mr. Wismer) should read section 13, which says:

"The Lieutenant-Governor in Council may make regulations governing (L) any other matter necessary or advisable to carry out effectively the intent and purpose of this Act."

Now, I think that is broad enough.

MR. JOLLIFFE: Oh, no, that is not sound.

MR. FROST: In any event, here is what is going to happen. Under section 12, the report of this Corporation will be tabled; it will be open to the scrutiny of the hon. members, and if a situation such as that does arise, we can effectively deal with it. The real intent and purpose of the Act is not to make any money, but to keep the matter of our loans as close to cost as we can. That is the purpose of it, and if we find in the operation of things that profits accumulate, we can consider that at a later time. I undertake to the House to bring that matter before them if we are met by that situation.

MR. J. B. SALSBERG (St. Andrew): Thank you, Mr. Chairman, I am pleased to see you recognize me so quickly. There is only question I would like to ask. I do not know how to dispose of profits and I do not want to get into the argument between the Official Opposition of the Province and the Government as to how the profits should be handled. I imagine the Government knows how to handle profits already, and we will watch them and see how they do it. I am wondering, Mr. Chairman, whether this Bill which is generally very good and approved by all sectio s of the House, will not crowd out small organizations from the opportunity of investing their capital in such debentures. What I mean is, this Corporation will make possible the borrowing of money on a very large scale,

which will enable only large financial institutions on Bay Street and elsewhere to participate.

There are many organizations, loan societies, credit unions and others who would like to participate and should have the oppprtunity of investing some of their surplus or special capital in safe investments of this sort. I am afraid the tendency will be for the large investing organizations to get the preference, because of the large amounts that will be involved. I am not suggesting any change in the law, but I do say it would be good if somehow provisions could be made by the regulations later to give these credit unions, fraternal organizations and others an opportunity of availing themselves of these opportunities.

MR. FROST: We will keep that in mind. That point is well taken.

(Page C-13 follows)

MR. BROWN: Mr. Chairman, I would just like to mention this profit business again. It seems to me that it is going to be inevitable that there is going to be a profit. Now, the hon. Prime Minister (Mr. Frost) says he will meet that situation when we come to it. You will come to it almost immediately and it seems to me very little to ask that the government insert one more section into these regulations to say how profits will be disposed of. Why wait for a year when we can do it now.

MR. H. C. NIXON (Brant): Mr. Chairman, as one who haslived to see many of these schemes initiated and carried through to conclusion, generally, I might say, to the good of theprovince as a whole, you willnot know for some years whether you have real profits or not. We had a great housing scheme in this province and a few years ago we wrote off several thousands of dollars in closing it out and last year the hon. Provincial Treasurer brought in a Bill having to do with radialrailways a few years ago, and I think it was $90,000 he wrote off last year, maybe a good deal more. I do not think, Mr. Chairman, this House needs unduly concern itself. We are all hoping that it will turn out for the province and this corporation to have profits to deal with, but we will be fortunate indeed if some municipalities do not default on these bonds and we will have to be ready for these things---- the inevitable losses. I think the general effect will be to the good and I think it is a splendid piece of legislation and while I hope that the hon. Provincial (Mr. Frost) Treasurer in some future day may have profits to worry about, I would expect that the hon. Provincial Treasurer who sits on the Treasury bench when this is completed, will find he will have some debentures that he will have to write off.

(Take D follows)

MR. FROST: Mr. Chairman, I quite agree with the hon. member for Brant (Mr. Nixon). May I say to the hon. members of this House that when legislation of this sort is projected, you get the pros and cons from many people before the matter ever comes before the House. We made an announcement in London, I think it was, last August, and I have received many comments from good people, some very favourable, some incline to be critical. Amongst those who were critical -- and this follows in line with what the hon. member for Brant (Mr. Nixon) said -- the point is this, that with rates of interest at, say, five per cent or six per cent, they are justified in some cases by the loss experiences there have been, and that is the reason for such a rate.

We recognize, of course, that there is an element of risk in this class of thing, particularly when we are loaning money so close to our own borrowing rate. But our feeling is that it is the over-all good of Ontario we are endeavouring to meet, in sewage, waterworks, sewage disposal plants, and incinerators, and we feel that such being the case, the government is justified in taking some risk in order to achieve the things we want to achieve.

What we have been scratching our heads over is not the matter of profits at all; it is the matter of loaning this money to the municipalities, with safeguards which will assure that the people of Ontario get a fair break, and there will not be losses, or if there are losses, they will be comparatively small.

I think the hon. member for Brant (Mr. Nixon) is quite right. Let us see how this works out, and let us be hopeful it will work out on the profit side. I think it is certain

if there are losses in this, they will be comparatively small, On the other hand, I think if there are profits, they will be comparatively small. I think this matter will pretty well balance itself out. That is what we are hoping, anyway.

Experience will tell us. This is a new field of legislation and of financing. Next year we can see what the ultimate end of it is, and we hope it will be along the lines I have indicated.

MR. MILLARD: Mr. Chairman, I wonder if the hon. Prime Minister (Mr. Frost) or the hon. Minister of Municipal Affairs (Mr. Dunbar) would mind if I say that this Act is born out of experience and need. May I ask what the experience is up to the present time? Are these small municipalities going ahead with their needed works having difficulty on the open market, and what is the volume it is anticipated this matter will take care of? Is $50,000,000. enough to take care of it? I would like to know if there is some indication that $50,000,000. will be enough for a year's operation, until we can get at it again?

MR. DUNBAR: We feel it will be enough for a year's operations. I have a few figures here, which I was asked for the other day, but did not have with me at the time.

Mattawa saved $26,520. on their debenture issue, and put out money at 3½ per cent.

In McKim township, they saved $4,600. Not a great amount, but they saved that sum. That is a small township near Sudbury.

In Windsor -- where the hon. member comes from (Mr. Ellis) they made a saving of $260,000. on the borrowings

as compared with what they agree they would have had to pay. In addition, they perhaps will get a little discount. It is refinancing, they have done quite well in the past, and the bonding company would seem to just jump at it in that way. It has been passed by the municipal board, and there will be a saving there of $260,000. in twenty years.

MR. G. B. ELLIS (Essex, North): What is the rate of interest?

MR. DUNBAR: I am figuring at 3½ per cent. So even if we did lose a few dollars, it is still worthwhile.

MR. WISMER: I think it is that sort of thing which makes this profit question all the more important. I can agree with the hon. Prime Minister (Mr. Frost) and the hon. member for Brant (Mr. Nixon) that there is a possibility that some of these debentures will go into default. That is an experience which is not likely to be changed.

But, supposing in the first year you do get a good number of applicatns for loans, in other words, that you will purchase the debentures at 3½ per cent, I am sure the hon. Provincial Treasurer (Mr. Frost) is not going immediately into the bond market for $50,000,000. He will go down to the bank, and will get the money for a lot less than 3½ per cent.

I would like to point out that one per cent of $50,000,000. is $500,000. That is a lot of money, in these days, even when you are doing a business which is certainly highly satisfactory. Nobody will question that. It is a lot of money. Then, by loaning money to the municipalities at 3½ per cent, we are dealing with a lot of interest profits. The differential between your borrowing rate and the rate at

which you will loan to the municipalities, even if both are perfectly legitimate, will produce a sizeable profit every year.

Let me point out that defaults will not occur in the first year nor the second year. In regard to long-term debentures, the defaults come at the end.

MR. DUNBAR: That is why we need a profit.

MR. WISMER: You will have a profit, but you will not take one per cent. year of $50,000,000. and set it aside as a sort of contingent fund against default, because that would mean before you started, that it was not good business to go into.

It seems to be the hon. member for Waterloo North, (Mr. Brown) is not asking an unreasonable thing, and I am not asking an unreasonable thing, when we suggest that some section be put into the regulations requiring some definite use of what can easily be a very sizeable profit in this province.

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, I imagine the hon. Prime Minister (Mr. Frost) is not concerned so much with making profits for this corporation, but his main concern is to be of some assistance to the smaller municipalities, which undoubtedly this Bill will be.

MR. J. S. DEMPSEY (Renfrew, South): Mr. Chairman, may I say a word based on practical experience? Some of the smaller municipalities in our section thought they could borrow some money for 98½ for $100., but when they got down here they were told that the houses were flooded with such requests, and all they could get was 95. I cannot see where there would be too much profit, as it costs something to administer this, in the first place. We are hoping there will be a profit, but

I think, first of all, it will be of great benefit to the smaller communities.

MR. J. L. EASTON (Wentworth): Mr. Chairman, in the event of this business being very successful over the years, I would like to see something like a patronage dividend --

MR. FROST: Patronage?

MR. EASTON: Yes, a patronage dividend. If there are profits, let the smaller municipalities have some share of the profits, by giving rebates.

Sections 13 and 14 agreed to.

Bill No. 35 reported.

HON. LESLIE M. FROST (Prime Minister): Mr. Chairman, I move the committee do now rise and report a certain Bill with amendment.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. T. L. PATRICK (Middlesex, North): Mr. Speaker, the Committee of the Whole House beg to report a certain Bill with amendment, and move for leave to sit again.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, before moving the adjournment of the House, we might clear up the third readings, which will reduce the size of the Order Paper. If there are any Bills to which hon. members have any objection to third reading, we will hold them over, but I thought perhaps we might clear off these seven orders.

Order No. 1.

APPEALS TO HIS MAJESTY IN HIS PRIVY COUNCIL

CLERK OF THE HOUSE: First order, third reading of

Bill No. 36, "An Act respecting Appeals to His Majesty in His Privy Council", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move third reading of Bill No. 36.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill do now pass and be intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 2.

THE COMMORIENTES ACT

CLERK OF THE HOUSE: Second order, third reading of Bill No. 7, "An Act to amend the Commorientes Act, 1940", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move third reading of Bill No. 7.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill do now pass and be intituled in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 3.

THE CROWN ATTORNEYS' ACT

CLERK OF THE HOUSE: Third order, third reading of Bill No. 38, "An Act to amend the Crown Attorneys' Act, 1949", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move third reading of Bill No. 38.

Motion agreed to; third reading of the Bill.

MR. SPEAKER : Resolved that the Bill do now pass and be intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 4.

THE LOAN AND TRUST CORPORATIONS ACT

CLERK OF THE HOUSE: Fourth order, third reading of Bill No. 39, "An Act to amend the Loan and Trust Corporations Act, 1949", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move third reading of Bill No. 39.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill do now pass and be intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 5.

THE PARTNERSHIP REGISTRATION ACT

CLERK OF THE HOUSE: Fifth order, third reading of Bill No. 40, "An Act to amend the Partnership Registration Act", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move third reading of Bill No. 40.

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill do now pass and be intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 6.

THE SURVEYS ACT

CLERK OF THE HOUSE: Sixth order, third reading of Bill No. 48, "An Act to amend the Surveys Act", Mr. Scott.

MR. FROST: Mr. Speaker, in the absence of Mr. Scott, I beg to move third reading of Bill No. 48,"An Act to amend the Surveys Act".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill do now pass and be

intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Order No. 7

THE WESTERLY LIMITS OF HINCKS LOCATION

CLERK OF THE HOUSE: Seventh order, third reading of Bill No. 49, "An Act respecting the Westerly Limits of Hincks Location in the Township of Johnson", Mr. Scott.

HON. H. R. SCOTT (Minister of Lands and Forests): Mr. Speaker, I move third reading of Bill No. 49, "An Act respecting the Westerly Limits of Hincks Location in the Township of Johnson".

Motion agreed to; third reading of the Bill.

MR. SPEAKER: Resolved that the Bill be now passed and be intituled as in the motion.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the adjournment of the House. May I say that the programme on Monday will be to go ahead with Bills on the Order Paper, and on Tuesday we will proceed with the addresses in reply to the Speech from the Throne.

Motion agreed to.

The House adjourned at 3.46 o'clock p.m.

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SECOND ERRATTA.

Volume 4: Page 2. Last line.

Change "tariffs" to "sheriffs".

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Volume 5: Page B-8. Line 7:

Delete last word in line "our decision" and substitute therefor,, after the words "regard to" -

"one of our difficulties".

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Volume 8.

P R O C E E D I N G S

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-SEVENTH DAY OF FEBRUARY, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK, P. M.

Toronto, Ontario.
Monday, February 27, 1950.
3:00 o'clock, p. m.

3:00 O'CLOCK, P. M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

CLERK ASSISTANT: The following petitions have been received:

Of the Corporation of the city of Kingston praying that an Act may pass authorizing the establishment, development and management of the Kingston Community Memorial Health and Recreational Centre.

Of the Corporation of the city of Sault Ste. Marie, praying that an Act may pass validating and confirming a by-law of the said city providing for the guarantee by the said corporation of a bond issue by the Plummer Memorial Public Hospital, of $90,000.

MR. SPEAKER : Motions.

Introduction of Bills.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

(1) The report of the Ontario Veterinary College for the year ending March 31, 1949.

(2) Report of the Minister of Agriculture of Ontario for the year ending March 31, 1949.

(3) Report of the Ontario Agricultural College and Experimental Farm for the year ending March 31, 1949.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Order No. 21.

THE PUBLIC OFFICERS FEES ACT

CLERK OF THE HOUSE: Twenty-first Order, second reading of Bill No. 64, "An Act to amend the Public Officers Fees Act," Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I

move second reading of Bill No. 64, "An Act to amend the Public Officers Fees Act".

As I explained on the first reading of this Bill, Mr. Speaker, this is to provide for the deduction by crown attorneys, division court clerks and division court bailiffs from the fees they collect, up to $6,000.

MR. ROBERT THORNBERRY (Hamilton, Centre): Should that not be an amendment to the Minimum Wage Act?

MR. PORTER: No answer.

MR. J. L. DOWLING (Hamilton, East): They do not work for wages.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order No. 22.

THE DESERTED WIVES' AND CHILDREN'S MAINTENANCE ACT

CLERK OF THE HOUSE: Twenty-second Order, second reading of Bill No. 65, "An Act to amend the Deserted Wives' and Children's Maintenance Act", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move second reading of Bill No. 65, "An Act to amend the Deserted Wives' and Children's Maintenance Act".

The present Act provides that maintenance payments shall be paid weekly. The Act is amended to provide for the payment of maintenance at such intervals as may be deemed proper in each case.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, may I ask the hon. Minister (Mr. Porter) what is the reason for seeking this amended legislation? What were the experiences which called for this change?

MR. PORTER: Mr. Speaker, the reasons I thought were

made plain on first reading, but I shall repeat them.

MR. A. A. MacLEOD (Bellwoods): They were very brief on first reading.

MR. PORTER: It is a great pleasure to repeat them for the hon. member (Mr. Salsberg).

MR. SALSBERG: Sometimes it takes considerable time to get an explanation.

MR. ROBERT THORNBERRY (Hamilton, Centre): May we have the reasons? Never mind all this boy's stuff.

MR. SPEAKER: Order, please. I will call the various hon. members to order without any assistance from the hon. members sitting in the various seats. The Hon. Minister (Mr. Porter) has the floor.

MR. PORTER: In certain cases, the persons who have to make payments under this Act, are paid, not on a weekly basis, but sometimes on a monthly basis, sometimes a by-weekly basis, and this give the discretion to the magistrate to decide under all the circumstances which would be the more effective way of having the payments made.

MR. WM. DENNISON (St. David): Mr. Speaker, I wonder if the hon. Minister (Mr. Porter) has had any requests from people affected by this Act, to have more teeth put into the Act, so as to perhaps leave less discretion to the magistrate, and more effort made for hunting up these deserting Lotharios, who take on an obligation, and then side-step it by moving to another part of the country.

I have in mind two or three cases in my own riding this year, where the wife has had great difficulty in locating the man, and apparently if they do not find them, the court takes no responsibility for finding them.

I wonder if the hon. Minister (Mr. Porter) should not endeavour, or make it possible, to have some assistance given to these deserted wives in the tracking down of the persons responsible for the desertions, and bringing them to justice, and getting the deserted wives their money. Whether they are paid monthly or weekly does not seem to be of much account.

MR. PORTER: I may say, Mr. Speaker, I have had no requests from any of the people mentioned by the hon. Member (Mr. Dennison). I think the hon. member (Mr. Dennison) if he had these cases in mind, should have been prompt in bringing them to my attention, but I have had no request myself, personally. I will enquire as to whether any requests have been made of the department.

It has just been drawn to my attention that by an amendment to this Act in 1948, provision was made for the transmission of the orders to facilitate enforcement. It provides:

> "Wherever default is made in the payment of any sum of money ordered to be paid, the judge of the Juvenile Court or the magistrate who made the order may send a duplicate of the order, together with a statement showing such information as he possesses -- "

and so on. Then it goes on:

> "For facilitating the enforcement of the order against the person against whom it is made, to any judge having jurisdiction in the locality in which such person resides, or to any magistrate in or near such locality"

Then it gives power to that magistrate to act under those circumstances. I think perhaps that will answer the question by the hon. member (Mr. Dennison).

I may also say that from the information we have, that section is working very satisfactorily at the present time, so far as is humanly possible in a case such as that mentioned by the hon. member (Mr. Dennison).

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Twenty-third Order.

THE INSURANCE ACT

CLERK OF THE HOUSE: Twenty-third Order, second reading of Bill No. 66, "An Act to amend the Insurance Act", Mr. Porter.

HON. DANA PORTER (Attorney General): Mr. Speaker, I move second reading of Bill No. 66, "An Act to amend the Insurance Act".

MR. L. E. WISMER (Riverdale): Mr. Speaker, I wonder if the hon. Minister (Mr. Porter) would indicate why this is being amended at this time?

MR. PORTER: This amendment is brought about as a result of a conference between insurance officials of the provincial departments, representatives of the departments throughout the Dominion of Canada, which was recently held, and it was recommended at that conference that this change should be made.

It is not a very substantial change. It increases the amount which might be payable in the event of a child who has been insured by an insurance policy somewhat, but not so substantially that the original intention of this legislation would be interfered with.

MR. WISMER: Perhaps the difference between $100. and $200. does not sound very substantial, but it is quite an amount.

It is my information that very few insurance companies

of any sort in this country have availed themselves of the legislation which has been on the statute books for a very long time, in which it was impossible to insure starting at $100. at age one, up to $1,000. at age ten.

We have had some latitude, Mr. Speaker, in questioning the Ministry at second readings, and I was hoping we could have some questioning at this time, because I would like to know if there are any insurance companies in Canada who have wanted to take advantage of this Act?

I happen to be one who wanted to buy some insurance for a small child within the last two months, and there was not any available under the old terms, and I suspect there would not be any under these new terms.

I would not like to see the Legislature used by private sources to change the Act for private purposes. I would like to know if the hon. Minister (Mr. Porter) has any information about any new type of insurance?

MR. PORTER: This does not provide for new insurance. It is quite a common thing to insure the life of a child by the parents, and the only limitation we had was that in the early years only a small amount could be paid.

There are certain advantages in insuring the life of a child during its early years.

As the child lives, the premium of that policy can be carried on, and when the child becomes of age, he can continue that insurance at the lower premium which was available at the time the policy was taken out.

A great many people have taken out policies on the lives of their children as future protection for the children themselves.

When the child becomes of age, he can take over that policy, and carry it on.

I am not familiar with the circumstances surrounding the application made by the hon. member (Mr. Wismer). There may be some special consideration of which we know nothing, but I do know that the insurance companies are in agreement with this. change, and there are some companies which will no doubt give these benefits to anybody who wants them.

MR. SPEAKER: I recognize the hon. member for Brant (Mr. Nixon).

MR. H. C. NIXON (Brant): Mr. Speaker, is there any limitation on the amount of insurance which can be placed on an infant's life of a certain age, for a sum of, say, $10,000 , over a period of, say, ten years?

MR. PORTER: If a child does not come within the age limit, then only the amount in question can be paid. The premium is reduced if the child dies before that age, and only these amounts are paid. However, if the child survives this period, then the total amount of the policy becomes payable. The Act so provided, as I understand, for some time.

MR. SPEAKER: The hon. member for St. Patrick (Mr. Rea).

MR. C. E. REA (St. Patrick): The hon. minister (Mr. Porter) has answered my question, Mr. Speaker.

MR.L. E. WISMER (Riverdale): Can you tell the House what the particulars are?

MR. PORTER: No, I cannot tell that, I am not in the insurance business.

MR. WISMER: The hon. Minister (Mr. Porter) is introducing an amendment, and this Bill sets the age of ten years

but to my knowledge, they do not do such a thing. They offer the policy on the life of the father.

SOME hon. MEMBERS: No, no.

MR. WISMER: I do not see why this Legislature should be put in the position of changing legislation which, in its original form, was not used by the insurance companies.

HON. W. E. HAMILTON (Minister of Reform Institutions): Mr. Speaker, as the parent applies for insurance on the life of a child, the insurer's liability is limited as set forth. It formerly was $60. up to age one, $100. up to age two, and then $300, $400., $500., $600., $700., $800., and $900., and up to $1000. at the age of ten, and the legal liability which the insurer paid for upon death, if it occurred, was at those ages.

Now, the change would be when a death occurs at, say, age one, when payment will be made as per the figure set forth, and at age two, a larger item, and so on. If the insurer has gone on the policy for a large sum, the Act provides for a refund, over and above the lesser amount.

MR. WISMER: Mr. Speaker, I understand the hon. Minister of Reform Institution (Mr. Hamilton) used to the manager of the Sun Life in Guelph, and should have a great deal of knowledge on this matter. How many policies have been written through his office on the life of children, indirectly?

MR. HAMILTON: The answer would be "very few".

MR. WISMER: How many on the lives of the father?

MR. SPEAKER: I think we are getting rapidly into a Committee of the Whole House. We are discussing just one phase of the Bill --

MR. WISMER: The whole phase.

MR. SPEAKER: I stand to be corrected -- and the hon. Minister (Mr. Porter) will correct me if I am wrong, but it seems to me we are dealing with one item. I do not want to deny anybody the opportunity of debate, but we will have to draw the line some place.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, there is something which I think should be said at this stage of the Bill, and perhaps we can be more fully informed about it in Committee stage.

As I understand the hon. Minister (Mr. Porter), this Bill resulted from a conference of insurance officials from most of the provinces, and is the result of their advice.

Now, Mr. Speaker, I do not know how wide they went in their discussions or in consultations, but the limitation which was imposed by the Act clearly had a reason, and the government is not prepared to jettison that logic entirely -- I refer, Mr. Speaker, to the limitation under this amendment as to payment.

It seems to me the basis for the limitation on the life of a child is to guard against the possibility that some person might take out a policy of insurance on the life of a child for very improper reasons, or even for criminal reasons. What I think we should be more fully informed upon is whether that was sufficiently considered by the conference, and what has been the experience. We know there have been capital crimes in connection with insurance policies. Some years ago there was a very sensational murder in eastern Ontario which I think was shown to have been inspired by a motive of greed, through the proceeds of an insurance policy.

Perhaps the hon. Minister (Mr. Porter) could inform us later whether there are any records of cases of crime

arising from circumstances connected with insuring the life of a child.

I am not attacking the Bill proposed by the hon. Minister (Mr. Porter) at the moment. What I am seeking is information. I think the hon. members of this House should be satisfied that there is no danger in raising the limitation, as we would do here, before we finally pass on the Bill. Maybe there is no danger. Maybe the government is satisfied on the record that there is no difficulty there, but I think the hon. members of this House should be satisfied on that, before we pass this Bill.

MR. PORTER: Mr. Speaker, I know of no case, and am so advised by the branch of the department which made this recommendation, that there had been no cases on record of crimes being committed along the lines mentioned by the hon. Leader of the Opposition(Mr. Jolliffe).

As a matter of fact, at the conference in question, I am informed there was some discussion as to whether this section of the Act should be done away with entirely. I know, in discussing the matter, it was finally decided it would be better not to abandon those provisions entirely, as it might lead to some improper use of insurance. Apprently there has been no cases on records, of which we know, where any murders have been committed of children for the purpose of obtaining the benefits of insurance.

MR. JOLLIFFE: There have been of adults.

MR. PORTER: Yes, there have been of adults. Of course, when people get married, there might be a mixed motive. In the case of children, it has not occurred.

It may be that this sort of provision is not as necessary as was originally thought, but, on the other hand, I feel it did provide some protection, and it was the view of these various officials after full discussion of it, that it was a reasonable increase, and in view of that, I was perfectly satisfied it should be done.

It may be that comparatively few companies have actually issued policies on the lives of children in their earlier ages, but, on the other hand, some of them did. As long as they wish to do that business, I do not think this legislature should prevent them.

I have here a note from the report which may be interesting to the hon. members in view of the questions which have been raised. I refer to the Standing Committee on Life Insurance Legislation. Mention is made of this section, the comparable provisions in the Act with some of the other provinces, and :-

> "It has been suggested that these subsections are unnecessary in some provinces and in others are more restrictive than the laws applicable to the payment of other forms of debt due to a minor. Certainly the provisions are more restrictive than such statutes as British Columbia's Equal Guardianship of Infants Act. It has therefore been proposed that the Conference consider the desirability of recommending the repeal of these provisions. Your Committee suggests that the Conference consider this proposal and refer it to the Committee for detailed study during the following year."

Then it goes on. I do not know that it is the final recommendation, but it is the Minute of a meeting at which this was considered.

MR. JOLLIFFE: Has the Children's Aid Society been consulted at all about this?

MR. PORTER: Not to my knowledge.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, may I, with your permission and the permission of the House, revert to the order of business, "Orders of the Day", in order that I may make here an announcement of interest to all of us.

I would have made the announcement earlier this afternoon, but for the fact that hon. Mr. Pearson (Minister of External Affairs) at Ottawa advised he was making a statement at 3.30 this afternoon, and I did not want to precede him.

The statement I have, Mr. Speaker, refers to the matter of the negotiation for a treaty covering water at Niagara Falls. There has been some reference to this in the press, and I felt that it was desirable -- and hon. Mr. Pearson felt likewise -- that the Commons and the Legislature should be advised as to the condition of matters, as they exist now.

For some months past, the government of Canada and the government of the United States have been carrying on negotiations regarding matters relating to the use of water at Niagara Falls. The negotiations have been carried on by the government of Canada, through hon. Mr. Pearson, and his department, and on behalf of the province of Ontario, we have been represented by the chairman of the Commission, who is sitting in the House this afternoon, the hon. Minister in charge of Hydro (Mr. Challies), and by the hon. Minister of

Labour (Mr. Daley) who is also the chairman of the Niagara Parks Commission.

We have considerable interest in the matter. Of course, we are anxious to get more power, but at the same time we are anxious to conserve all of the beauty and natural advantages there are at the great falls and the gorge, and the hon. Minister of Labour (Mr. Daley) has paid particular attention to that matter.

Mr. Speaker, at 3.30 today an announcement of vital importance to the people of this province will be made by the hon. Mr. Lester B. Pearson, Minister of External Affairs, This announcement will be to the effect that the Niagara Diversion Treaty is being signed in Washington by the Hon. Mr. Dean Acheson. This consummates some 20 months of negotiations between this government, the Federal government, the Hydro-Electric Power Commission of Ontario and the government of the United States. This treaty, as I have said, is of vital importance to this province. It has often been said that our present Hydro Construction Program will protect us until the end of 1952. This government has been greatly concerned about the period beyond 1952.

In 1952 we will arrive at a point where we have, I think, a considerable surplus over the anticipated needs of that time, but subsequently, with the normal growth of the province, and with the experiences we have had of that growth, the power will begin to diminish again.

For many years, many of the hon. members know that the power use/has increase averaged at about 7 per cent. Actually, in the last ten years that has been greatly exceeded. With the

present uses, it is very necessary and desirable indeed to have a considerable amount of power which can be developed beyond the period when our position appears to be reasonably protected, as it will be in 1952.

We have, therefore, left no stone unturned in our endeavour to consummate this treaty. It will permit a more efficient use of the waters of the river, and therefore, permit the immediate construction of a new development in the vicinity of Queenston, with a capacity of approximately 500,000 horsepower. This amount will ultimately increase, we believe, to something in the neighbourhood of 800,000 horsepower.

So, Mr. Speaker, we are dealing indeed with a sizeable amount of power. This new power can be brought in by 1953. The Treaty also gives adequate protection to the scenic beauty and also the crest-line of the Falls.

As many of the hon. members know, one of the great dangers at Niagara Falls is the fact that more and more water is being funnelled through the centre of the American Falls, with the possibility of a collapse of the rock there, and the scenic beauty may thereby be very much damaged.

Our past industrial expansion has been built because of the availability of low-cost electric power in abundance. The certainty of this extra ultimate 800,000 horsepower will take care of our future industrial expansion for some years to come.

Let me make this clear, however, that for the future long-range protection of our people, we need also the development of the falling waters of the St. Lawrence.

This government is working in close co-operation with the Federal government and the Hydro-Electric Power Commission of Ontario to have the St. Lawrence Project ratified by the

United States.

Mr. Speaker, I think this is a definite advance in connection with our power situation. By this Treaty we have the power situation at Niagara Falls pretty well taken care of, and I hope that I am not being just carried away by the fact that we have made this progress, but I am indeed very hopeful that the St. Lawrence matter may be cleared up once and for all, that a Treaty will be entered into by the government of Canada and the government of the United States which will permit the water development of that very great natural asset.

Our share of the power from the St. Lawrence is something over 1,000,000 horsepower. I think it is desirable that we should be able to take care of that project in good time, without being pressed in the development, because there are very great changes which will have to take place in the St. Lawrence Valley as a result of that project.

We are pressing forward, and asking the Federal government to do everything possible to complete the St. Lawrence Treaty just as soon as possible. In the meantime, I know that the hon. members of this House will be glad to know of this matter and to receive this information, that in regard to the situation at Niagara Falls, we are apparently in a position to go ahead.

I remember in one of my elections many years ago, there was a battle-cry of "Back to Niagara". I think perhaps at this time we can say that we are turning back to Niagara, to the extent of some 800,000 horsepower.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: Is this Treaty subject to ratification by the United States Congress?

MR. WM. DENNISON (St. David): I wonder if the hon. Prime Minister (Mr. Frost) will tell us if Ontario gets the whole use of the extra water that is being put into the Great Lakes by reason of the diversion, by reason of this Treaty?

MR. FROST: Oh yes. Some of our engineers tell us that by the time the water gets down here, there is nothing actually left; it has all evaporated, but we have been able to get some 5,000 cubic feet second -- whatever that means -- in any event.

MR. SALSBERG: When will construction on that project start, and approximately how long will it take to complete it?

MR. FROST: At Niagara Falls?

MR. SALSBERG: Yes.

MR. FROST: I understand that this Treaty, when ratified -- and I hope we will not get into further difficulty, but there will be an early ratification by both the senior governments concerned -- but we are in a position to proceed at once with the Niagara development, and I believe we can have that power available in 1953 or 1954.

Motion agreed to; second reading of the Bill.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Order No. 20.

THE HOUSING DEVELOPMENT ACT

CLERK OF THE HOUSE: Twentieth Order, second reading of Bill No. 63, "An Act to amend the Housing Development Act, 1948", Mr. Griesinger.

HON. WM. GRIESINGER (Minister of Planning and Development): Mr. Speaker, I move second reading of Bill No. 63, "An Act to Amend the Housing Development Act, 1948".

Mr. Speaker, at first reading of the Bill, I stated

that a further statement would be made on second reading.

(Take B follows)

When my colleague, the Hon. Mr. Porter, then Minister of Planning and Development introduced The Housing Development Act into the Legislature in April 1948, he stated:

(1) That the Government was prepared to guarantee to lending institutions sufficient to bring about reductions in the down payments on lower cost houses, to a limit of 10,000 houses in a n amount totalling $10,000,000.

After discussing the matter with the lending institutions we found that it would take several months to work out the details. As speed was urgent the Government accordingly set up Housing Corporation Limited under which second mortgage loans have been made to approximately 15,000 first occupants of newly built single family houses and mostly on houses purchased for $10,000 or less.

In view of the larger first mortgage loans now granted the purchasers of new houses under recent amendments in the National Housing Act, the Province retired from the second mortgage loan field as of the 31st December 1949. When all applications received have been fully processed the aggregate of the loans will approximate $17,000,000.

(2) That to reduce the burden to municipalities in respect of houses erected by Central Mortgage and Housing Corporation in 1948 and subsequent years the Province would undertake to pay one-half the cost of land and services to a limit of $300 per house lot to a total of 10,000 lots at an estimated cost of $3,000,000.

Because of the Dominion-Provincial Partnership, no further projects resulting from direct agreements between the

Dominion and the municipalities are contemplated.

However, since approximately 3,000 houses in 49 projects within the Province of Ontario will qualify for the grants, the commitments of the Province will approximate $1,200,000. Provision for the payment of this amount was made in the estimates for the fiscal year just ending but due to unforseen delays in the completion of some of the projects it is presently anticipated that the payments to be made within the present fiscal year will not exceed $800,000 and provision has accordingly been made for taking care of the carry over in the budget for the ensuing year.

(3) That the Province was prepared to stimulate new methods of house construction designed to effect a substantial reduction in cost by underwriting such methods as were approved, the total amount not to exceed $2,000,000.

Several applications for assistance were presented but the savings proved to be more theoretical than real and accordingly no grants have been made.

(4) That the Province was prepared to participate with the municipalities in the financing of urban redevelopment housing projects where same appeared to be a sound policy, to a total on its part of $15,000,000.

The only commitment so far made under the provision is that the Province has undertaken to pay $1,000 for each of the 118 units already built or under construction in the Regent Park Project of the Toronto Housing Authority.

No further commitments have been made. $144,000 has, however been included in the estimates for the ensuing year should the Government decide that it is warranted in

making a contribution of $1,000 for each of the 144 units which are expected to be started during the ensuing fiscal year.

The contribution of the Dominion towards this project totals $1,150,000.

In view of the contemplated Dominion-Ontario partnership any further projects of a similar type which may be undertaken within the Province will be under the partnership. As 1,056 units are contemplated for the Regent Park Project, the Government, should it undertake to pay $1,000 for each unit, will be committed to a total grant of $1,056,000.

(page B-4 follows)

It will thus be seen that the Government, in 1948 stood ready to invest a total of $30,000,000 in furthering housing within the Province of Ontario and that when it satisfies all present commitments, including those which it will be asked to make by the Toronto Housing Authority, its contributions and investments will total approximately $19,500,000, a sum which by any basis of comparison has not been matched by any other Province in Canada.

SOME hon. MEMBER: Hear, Hear.

MR. GRIESINGER: Under the amendments in The Housing Development Act now before the Legislature, the Province, as I stated when introducing the Bill on Monday the 20th instant, will complement the recent amendments in the National Housing Act so as to permit the Federal and Provincial Authorities joining in projects for the acquisition and development of land for housing purposes and the construction of houses for sale or for rent under agreements by which costs, profits and losses will be shared 75% Federally and 25% Provincially.

Provision is also made in the amendments which will permit the municipalities to make contributions towards the Provincial share of the cost.

Both Governments are of the opinion that any action by the partners should be primarily towards the promotion of the maximum amount of housing by private individuals and builders. While the legislation is as you will see, much wider in scope, the partners are of the opinion that it would only be in the event that such action did not result in an adequate level of housing construction that more direct action should be considered.

In any event no action will be taken except on the direct application of those municipalities in which demand and need can be proven to the satisfaction of the partners, and we shall look to the municipalities to make the land available at a fair and reasonable price. If expropriation is necessary the municipalities will be permitted to use the facilities in The Planning Act for that purpose.

Whereas the houses which were built by Wartime Housing Limited and its successor, Central Mortgage and Housing Corporation, were first for war-workers and then for Veterans and their families, less than the normal municipal taxes were paid thereon, and the municipalities were required to furnish land and services at their own expense, whatever housing results from the partnership will be available to all classes of persons on a basis of demand and need, the equivalent of full municipal taxes will be paid and the cost of land and services will be charged into the project.

The following types of projects are anticipated:

(a) Land Assembly - The assembly of land and the installation of services after which the land would be made available to home owners and private builders at a price to cover the cost involved.

Individual owners or builders erecting houses on such land would either finance under conventional or National Housing Act loans.

(b) Building of Houses for Sale - Both partners are of the opinion as I have indicated, that they should avoid getting into competition with

private builders. If additional low cost houses for sale are required, then a Federal-Provincial-Municipal project will be considered.

(c) Houses for Rent - The desire of the partners is to encourage home ownership. If sufficient low cost houses are erected and sold it immediately makes present accommodation available for others and tends to reduce rentals.

If there is to be a subsidy in rentals on new accommodation then the municipalities desiring such must bear a share of the cost.

You will note in respect to such projects the Bill provides for the constitution of local management authorities, both partners being of the opinion that it would be unwise for them to take a direct landlord position.

I would now draw your attention to final sections of the Bill designed to enable Housing Corporation Limited to finance its affairs by bond issues etc. which it cannot do now, and which will also enable the Province to participate in the financing of the Corporation.

What the commitments of the Province may amount to under the partnership is at this moment unforseeable and provision has been made in the Bill that the Provincial share will be paid out of the Consolidated Revenue Fund.

From this brief statement, I am sure that all persons will agree with me that the Province of Ontario has already done much to stimulate the erection of houses in the Province and, subject to your approval, stands ready to do much more.

SOME hon. MEMBER: Hear, hear.

MR. R. THORNBERRY (Hamilton Centre): Mr. Speaker, perhaps no item of the Government's legislative program has called for such interest among the people of Ontario as this particular Bill. I feel that the people of Ontario are going to be considerably disappointed at the absence of any indication on the part of the hon. Minister (Mr. Griesinger) for direct action to alleviate the housing shortage. While it is permissive legislation, the hon. Minister (Mr. Griesinger) has not indicated any program on the part of the Government to ensure that the terms of the Act will be taken advantage of.

The Bill makes provision for the acquisition of land and the development of that land; secondly for the building of homes for sale; and, thirdly, for the building of homes for rent. That does not guarantee that we are going to get the most important item in the housing need today, and that is homes for rent.

I would like to quote the words of Mr. Allan C. Ross, president of the Canadian Construction Association, spoken at his company's annual meeting:

> "Low-rental housing for the low-income group is only possible with some form of Government assistance."

When private enterprise, Mr. Speaker, through its spokesman, concedes that they themselves cannot fulfil the need of the low-income group, then I think it becomes the responsibility of this provincial Government, and doubly so in view of the fact that as far back as 1943, when they made specific promises to the people of this province that they would take action on housing if elected.

Now, it is almost seven years ago, and, with the exception of The Housing Development Act of 1948, this is the only legislation to come down in this Legislature. I submit, Mr. Speaker, that while it permits, and a great deal could be accomplished, under this Bill, the hon. Minister (Mr. Griesinger) has given every indication that only by application of the municipalities will anything be done in the broad field of homes for rent.

In 1948 the hon. Minister of Planning and Development, now the hon. Attorney-General (Mr. Porter), in presenting the Housing Development Act, mentioned the fact that house-building for people who can afford it was slowing up. It had slowed up in 1948, it certainly is doubly true today, but the Canadian Institute of Public Opinion, by samples throughout this country, found, only in 1949, that 270,000 people in Canada desired to find and purchase, by some means or other, a home for themselves. Now, it is far in excess of the capacity of Canada to produce that many homes in a year, so we can presume that the major portion of the 270,000 units is still unfilled, and if the need of the people who can afford homes is satisfied, the balance must be people who cannot afford the necessary down payment and the wherewithal to own a home. Therefore, the need for low-rental homes for the low-income group, I believe, should be a prime consideration and is of paramount importance.

It is a recognized rule of thumb that a family can only pay 20 to 25 percent. of their income per month for rental, or double their annual income to purchase a home -- that seems to be established over the years -- and if we

take the prices of homes today as estimated by the Housing in Canada publication of October, 1949, they say the average estimated cost of various types of houses built under the National Housing Act in the first eight months of 1949, was as follows:

> "A single one-storey house, with 902 square feet floor space, average cost: $8,086.00;
> A single one and a half storey house, with 998 square feet floor area: $8,666.00;
> A single two-storey house: $10,389.00."

Those are the estimated costs, Mr. Speaker, and I would venture to suggest that in every case when the house is completed, its completed cost is far in excess of the estimated cost, because the estimated cost is made for the purpose of getting the loan, and by the time the house is completed it is far in excess of that. However, if we take those figures, we find that a $8,000.00 house would only be available to a family with an annual income of $4,000.00. I think the overall average income of wage-earners in Canada today, according to the national statistics, is somewhere in the neighbourhood of $2,100.00, so that we may say it is not economic for a family in that category to own their own home.

In the City of Hamilton, right at the present time, there are more than 1,200 applications registered with Central Mortgage and Housing for a wartime housing vacancy, for a rental home -- over 1,200. These people today are living in one room, two rooms, garages, attics, garrets -- everywhere but a telephone booth -- and that presents one of the pressing problems in housing, and I think those

people are entitled at this time to find out from the Government in what way it hopes to implement this particular Bill.

It might be argued, of course, that the family income is higher, but, as there are no figures from 1941 on family income, Mr. Leonard Marsh, author of the Marsh Report, assumes that family income has doubled since 1941, and even on that assumption, in The Canadian Journal of Political Science and Economics, February, 1949, he says:

> "More than 60 percent. of the families of Canada have incomes of less than $3,000.00 and therefore could not afford houses costing as much as $6,000.00. More than 50 percent. of Canadian families have incomes of less than $2,500.00, and therefore could not afford houses costing $5,000.00 or more. About a third of Canadian families have incomes of less than $2,000.00 and therefore could not afford houses costing $4,000.00."

That would seem to me, Mr. Speaker, to indicate that this Bill will not fill the need in Ontario at all, unless the Government is prepared to take some definite and determined action in encouraging and persuading the municipalities to go into a low-rental housing scheme.

The hon. Minister (Mr. Griesinger) has not indicated, I believe, the interest rate, but I believe, according to Hon. Mr. Winters it would be between three and three and a half percent., and we may assume that that will be correct. I think arrangements should be made between the province and the Dominion to endeavour to get the money

at two percent., because the Dominion is at the present time making loans to wartime housing at two percent., and if it can lend to wartime housing, I think arrangements could be made, for municipalities as a group plan at least, if not for individuals, at two percent., because that is one of the greatest factors in the reduction of the cost of a home.

We hear a great deal from day to day in our newspapers to the affect that the cost of labour has put the price of everything up, but according to housing in Canada, the price of building materials between 1939 and 1949 went up 122 percent., the labour only 85 percent. That would indicate that perhaps a definite reduction in price of a home could be made if steps were taken to find a more economical distribution of building material. That is one source that this Government could explore. Another would be in the reduction of interest. On a mortgage of $10,000.00 at three percent., paid off over 20 years -- the present National Housing Act calls for four and a half percent. -- the total payment of interest amounts to $4,500.00, or a total of $14,500.00 when the home is completely paid for. If, however, that is reduced from four and a half percent. to three percent., the total interest payments would come down to $3,000.00, representing a saving of $1,500.00, or more than ten percent. of the cost of the home. By reducing the interest rate one and a half percent., the total cost could be reduced over ten percent.

The standard rate, as I say, is four and a half percent., and while it is lower than it was some years ago, it is still too high -- even three or three and half

percent. is too high.

We can also reduce the cost of a home by lenghening the period of amortization. I believe the present period is 30 years. It has been increased to 30 years, and I would suggest to the hon. Minister (Mr. Griesinger) that in a municipality such as my own in Hamilton, where we have 1,200 people waiting for a vacancy in wartime housing, if this Government could persuade and encourage the municipality to draw plans for a municipal scheme to take in an estate of 1,000 units, and at the lowest possible interest rate, amortized over 50 or 60 years, it would be possible then to rent these homes for as low as $25.00 a month, but it is not going to be possible to do that unless the Government can show the municipalities how to do it and encourage them to do it. I think, Mr. Speaker, perhaps the hon. Minister (Mr. Griesinger) might, during second reading of this Bill, say a little more on that particular point.

One of the big advantages of houses for rent is that the amortization period can be extended, and it not only makes it possible to better house the people in the low-rental group, who are the people needing shelter today, but a great deal of that money so expended, if it were not economic, could be recovered in services -- fire and police; that has been proven in every municipality throughout different countries, in Sweden and the United States. We would welcome at this time further information from the hon. Minister (Mr. Griesinger) on that point.

SOME hon. MEMBERS: Hear, hear.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I

would like to ask a question at this time, without forfeiting my right to participate in the discussion on second reading, on a point that is rather important from the point of view of Toronto and similar cities.

What provisions are being made to help the municipalities, particularly suburban municipalities such as those surrounding Toronto, to finance the services that are necessary when housing projects of this sort are undertaken, it being very well known that the difficulty in Toronto was not in finding land in the nearby municipalities, but in providing the municipalities near the city with the guarantee that they will be helped financially and will not be driven to bankruptcy as a result of the rapid expansion of houses and the needs that it brings about? Now, what in this Bill -- this is the question -- is provided to help solve that problem?

I might say, to further explain the question, that subsection 5 of section 1 merely states of the payment of taxes that is equivalent to the sum of money that would have been paid to the municipality as taxes on lands acquired for any such project. Now that, of course, provides very little payment if you restrict yourself to the payment of a tax equivalent only to land acquired.

Hon. MR. GRIESINGER: Oh, no, that includes the building.

MR. SALSBERG: Well, that is the question anyway.

MR. C. C. CALDER (London): Mr. Speaker, --

MR. SALSBERG: Could we have an answer? Will my hon. friend (Mr. Calder) wait, please?

Hon. L. M. FROST (Prime Minister): I thought you

had concluded your speech.

MR. SALSBERG: Well, could we have an answer to that question?

MR. W. DENNISON (St. David): Mr. Speaker --

MR. SPEAKER: No, the hon. member (Mr. Salsberg) was speaking.

MR. SALSBERG: Does it mean there is no answer forthcoming? Does it mean there is no answer, period?

MR. H. C. NIXON (Brant): The answer is in the negative.

MR. SPEAKER: I think there was an answer, if I may interject; it was on the land and buildings, is that the answer the hon. member (Mr. Salsberg) wanted?

MR. SALSBERG: No. My question was: what provision -

MR. SPEAKER: I think that the hon. member (Mr. Salsberg) would give the question direct, without the big speech, we will probably know what the question is.

Hon. MR. FROST: Mr. Speaker, I think this question can be answered in just a few minutes, if the hon. member (Mr. Salsberg) will console himself in peace for that short time.

MR. SALSBERG: In other words, the hon. Prime Minister (Mr. Frost) promises to answer that later?

Hon. MR. FROST: Sure.

MR. SALSBERG: Well, that is fine. This afternoon, I hope?

MR. C. C. CALDER (London): Mr. Speaker, when the hon. Minister (Mr. Griesinger) is answering other questions, will he be good enough to correct me if I heard him wrong when he said that in allocating these new units, there will

be no veterans' preference?

Hon. MR. GRIESINGER: That is right.

Hon. MR. FROST: It goes to everybody.

MR. GRIESINGER: It goes to everybody, on a basis of need.

MR. W. DENNISON (St. David): Mr. Speaker, I would just like to say a few words on the second reading of this Bill. When the hon. Minister of Planning and Development (Mr. Griesinger) introduced this amendment, I was rather hoping that he would bring before us an amendment to the 1948 legislation which would actually implement the promise that his party made to the people of Ontario back in August, 1943 on housing. It seems to me a serious thing when this Government keeps shooting at this problem and shooting at it, but always falling short of the mark, always falling short of really getting down to grips with this problem.

MR. FROST: Mr. Speaker, does my hon. friend (Mr. Dennison) know that we in this Province are in the lead in all Canada, we are ahead of everybody?

MR. DENNISON: Mr. Speaker, I would advise the Government not to brag so much about that.

MR. FROST: We cannot help it, modest as we are.

MR. DENNISON: Their claim of being in the lead, one finds does not stand up under examination. In introducing the Bill, the hon. Minister (Mr. Griesinger) made the statement that the $19,000,000. they had given and loaned -- do not forget those words, "and loaned" -- towards the building of houses in this Province could not be matched by any Government in Canada. Let me tell you, Mr. Speaker, that

the City of Toronto has done more than that in actual house-building -- in actual house-building for people who need low-rental houses. Do you know that the City of Toronto, not counting Regent Park, has accounted for over 1,000 units since the end of the war, which are now rented to people? How many units has this Government accounted for in the low-priced class? That is the class we need to have houses built for, not in the $10,000. or $15,000. class.

I saw in the newspaper the other day an item which stated that the Cliffside Golf Course has been sold for a housing development. I am very sorry about that, for two reasons; one, that is a beauty spot, I think the Department of Planning and Development should have preserved those bluffs at Scarborough and made them into a park.

(Take C-1 follows)

MR. DENNISON: No more beautiful park might be met with in this whole province.

Then, coming back to the subject matter before us, Mr. Speaker, the second is that the item said that these houses will range from $9000 to $17,000---from $9000 to $17,000. That is completely out of the range of the average working man. And may I say, perhaps it is out of the range of the average civil servant. Who could afford to purchase houses of that kind? What I am afraid of is if this government does not take action to provide low-cost housing, we will gettoo many people in this province investing their savings in houses which eventually willbe beyond their means to pay for, and if their wages should be cut from $5 to $10 a month, it means their equities in these properties will be jeopardized, and many of them may lose their homes, if that situation should develop. I think the government in introducing this legislation today should have made an attempt to amend the 1948 legislation, and implement the promise they made in point number eight of the famous twenty-two points of July, 1943, that there would be an Ontario Housing Commission established.

You have to establish a body which is province-wide, and which has province-wide powers. You must cut costs right from the forests to the houses. It seems to me a pity that in Ontario with all that beautiful white pine burned a year or two ago, the government could not have made a start and use that pine for the production of low cost lumber for house building; it seems a pity the government did not undertake, when the war was over, to establish a cement plant to end the cement bottleneck within the province, and which has been endured now for over four and one-half years. No sooner will the hydro have used the last cement they need, than the highways will probably use a lot of available cement, and we will still face the fact of a shortage of cement

for another year or so.

HON. GEORGE H. DOUCETT (Minister of Highways): I do not think so. That is not a fact.

MR. DENNISON: If you had carried out your 1943 promises, instead of this piece-meal attempt to solve the housing problem, you would have got down to fundamentals and produced cement in sufficient quantities to build houses, and produced lumber in sufficient quantities to build houses, and undertaken an agreement with labor so that the work might have been spread over a complete year's operations, and get special contracts and agreements with labor, and--

HON. G. H. CHALLIES (Minister in charge of Hydro): And nails, too?

MR. DENNISON: They might have done something with nails.

But, Mr. Speaker, it seems to me that this province with all the resources we have, has failed to provide adequate housing, and when one considers that in Great Britain, where they have to import all their lumber, they have now completed the one millionth house since the war, and are renting those houses at from $16 a month to $23 a month, for a family of four--

MR. GRIESINGER: Where do you get that figure of "one million"?

MR. DENNISON: From a survey I read the other day, published I think by the Monetary Times.

MR. WISMER: Well, that is a good old financial paper.

MR. DENNISON: To give you one idea of how inadequate this plan is; the municipalities under this legislation will still have the responsibility resting on them. The province will sit by and say, "Yes, it is too bad, we are all in favor of housing; you go ahead and build them and we will loan you the money---"--

MR. GRIESINGER: Mr. Speaker, the Act does not say anything like that at all.

MR. DENNISON: You have so much money to loan, and you will

give a grant--

MR. GRIESINGER: Money has not been mentioned, Mr. Speaker, up to the present time. I stated in my opening statement that we did not know how much it was going to cost.

MR. DENNISON: Mr. Speaker, I definitely heard the hon. Minister (Mr. Griesinger) say he was placing in the Estimates this year $144,000 which would be made available--

MR. GRIESINGER: That is a back payment, for the Regent property development.

MR. DENNISON: No. The hon. Minister (Mr. Griesinger) said he had already paid $1000 per unit on 118 units, and that at the moment that had been paid, but he was putting in the Estimates $144,000, which will be available, if you decide to make a grant of $1000 per unit on another project.

MR. GRIESINGER: Mr. Speaker, that is for the 144 units they expect to start this year--

MR. DENNISON: Then you have it inthe Estimates for this year's building?

MR. PORTER: Mr. Speaker, may I ask a question of the hon. member (Mr. Dennison)? Did the hon. member (Mr. Dennisn) at one time head a deputation to the City Hall objecting to proceeding with that project?

MR. DENNISON: Mr. Speaker, I would like to explain it, because the hon. Minister (Mr. Porter) has mentioned it, because it is not true. Mr. Speaker, if the hon. Minister (Mr. Porter) remembers, I put him straight on thatquestion last year.

MR. SPEAKER: Order.

MR. DENNISON: Mr. Speaker, what the people in Regent Park objected to, and which caused the deputation which I accompanied before the Board of Control, were three things; one, they wanted representation on the Housing Authority. They felt that the government, the municipality, and the Federal government had gone ahead

with their housing development in Regent Park without once holding a public meeting at which they might be asked their opinion on the project--

MR: PORTER: They were against it,

MR. DENNISON: No, no. The second objection, Mr. Speaker--

AN hon. MEMBER: Let him finish.

MR. SPEAKER: I am quite willing to let the hon. member (Mr. Dennison) finish, but may I say that I will call the House to order without the assistance of any hon. member.

MR. DENNISON: The second objection these people had at that time---and I think this is important---was that they felt that there should be more houses and less apartments built in Regent Park. They wanted to have a housing development there which they could purchase and soown their own homes.

The third objection was they wanted to have garage space provided. As the hon. members know, the Regent Park block contains no provisions for garage space, It seems to me, that they assumed that a man who could pay this rent, would not be able to afford a car, apparently, but there are many tradesmen who need a car to conduct their business, and without a car they cannot conduct their business, and therefore they said that garage space should have been provided.

Furthermore, those who did not want to stay in the housing project, wanted to be paid enough for their property so they could go elsewhere and buy. Unfortunately, these people in Regent Park have been caught betweenthe jaws of increasing prices of accommodations elsewhere, and the fixed assessment level at which they will be paid off.

I am sure the hon. Minister (Mr. Griesinger) will appreciate the problem of a man receiving $2500 for his home in Regent Park, and then faced with the possibility of having to pay $6000 or $7000 for similar accomodations elsewhere.

I went down with these people, because I think in every housing development---and I hope the government will establish this---you must go to the people and sell them on the project first. It should be done in a democratic way.

SOME hon. MEMBERS: Hear, hear.

MR. DENNISON: And I think you should hold meetings in the local school houses in the area, and get the consent of the people and the enthusiasm of the people behind their project, but unfortunately, that failed to be done in connection with Regent Park.

So the project we have in Regent Park today is that these people were told when the ratepayers voted on this question in 1946, that the average rentals would be $28.67 per month, but instead of that, the first 64 families who have moved into that project find their average rent is $52.00 per month. It is true that is based on 20% of their income, but that includes $10.00 a week from every person earning money in the family, and on top of that there is a $13.00 per month service charge charged.

So they feel that the project, even with the subsidy given by the province of $1000 per unit for 118 units, andeven with the subsidy given by the city and by the Dominion, that they can hardly be called "low-rental projects" and I am sure the hon. Minister (Mr. Griesinger) will agree withthat.

Whatis the solution? In my opinion, at the present time, the solution is to get lots of land outside these municipalities, secure new land. Get blocs of land, and construct houses on a large enough scale so that you can cut the costs by mass purchases--

MR. FROST: Has the hon. member (Mr. Dennison) ever tried to get land outside the municipality of Toronto?

MR. JOLLIFFE: Some people have done it.

MR. SALSBERG: They can, if you will endeavor to help the municipalities there.

MR. DENNISON: The hon. Prime Minister (Mr. Frost) well

knows the power under the Provincial Municipal Act for a municipality to get land. The city secured the land in Regent Park by expropriation, and that procedure will probably have to be followed, but the land can be purchased, and can be secured, as the hon. Prime Minister (Mr. Frost) well knows. But there has to be a willingness to undertake this on a large enough scale so that costs can be cut down, and I say that this was undertaken on nothing like the scale which was undertaken in order to enlarge the production of hydro in this province, This problem can be solved by mass purchases of material, and so on, if done on a large enough scale.

I am very disappointed that this legislation only proposes to nibble at the problem again, and I can see no evidence of any research into new methods of house construction; I can see no evidence of the hon. Minister of Planning and Development (Mr. Griesinger) building some of these sample mud houses that intrigued me so much when I read the pamphlet--

MR. GRIESINGER: They do not come under Planning and Development, so I did not investigate them. However, if you want one, I will see that you get it.

MR. DENNISON: I apologize to the hon. Minister (Mr. Griesinger). I think it was the hon. Minister of Lands and Forests (Mr. Scott) whose department sent me a pamphlet of the mud house. I thought at the time it had a great deal to recommend it.

I would like to see more of these mud houses tried out in Ontario, to see if we could not cut the costs. Why not experiment? Why not do a little pioneering in this province, which this government is so happy to boast about? Let us dosome experimenting, and cut down the cost of housing.

MR. FROST: Mr. Speaker, just to make a few references to this Act and to some of the problems which led up to it, and to the partnership arrangement whichhas been worked out with the

Federal authorities, an arrangement which we archopeful will achieve much more than has been done in thepast.

May I say to the hon. members opposite that it is true in the 22 points which now have been outlawed by the statute of limitations--

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: Oh, no, not yet.

MR. FROST: --we said we would have a Housing Commission. Mr. Speaker, we went far beyond that. We did not have a Housing Commission; we formed a department of government, and put an hon. Minister in charge of it. The hon. Minister on my left (Mr. Porter) was in charge of that department --

MR. A. A. MacLEOD (Bellwoods): That was about all we did have.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: --their power to spend money was unlimited. The hon.member opposite (Mr. MacLeod) said "That was about all they did." Mr. Speaker, among other things that department in the last two years has been instrumental in building 15,000 houses for families in this province--

MR. JOLLIFFE: Loaning the money, you mean.

MR. FROST: Such a thing has not been done in any other province of Canada. We are the only government in Canada today which has subsidized the building of houses.

MR. JOLLIFFE: Subsidized?

MR. FROST: Yes. The hon. leader of the opposition (Mr. Jolliffe) should know this, that we have been giving, up to the coming in of the Federal Act, $300 per house to pay for services.

Mr. Speaker, we are the only government in all Canada which has done that. No government has paid a cent on anything in the form of a subsidy for the erection of low-cost housing in this province.

I will elaborate on that in a moment, but the hon. members opposite live so deeply in gloom, that they do not see what happens.

MR. B. E. LEAVENS (Woodbine); Oh, we are tired listening to that.

MR. FROST: They do not realize that in this great province last year that with low-cost housing, and the housing erected under the Housing Act, or by private endeavor, over 37,000 units have been built in this province.

MR. JOLLIFFE: How many in a family?

MR. FROST: That is a tremendous achievement, Mr. Speaker. Never in the history of this province---in fact, never in the history of all other nine of the provinces---has anything like that been achieved.

I say this, Mr. Speaker, that I shouldlike to remind the hon. members opposite of the great achievement we have made in that period of two or three years, despite all the shortages, and difficulties we have had.

MR. DENNISON: You have not built a low-rental house.

MR. FROST: For a period of three months last year, practically all of the cement available from the Ontario and Quebec plants was required by the Hydro-Electric Power Commission. But in spite of that we did build 37,000 houses last year, and our hope is that this year---in 1950---the building will exceed that figure.

I want to assure the hon. members opposite that in 1948, certain legislation was passed in this Chamber. As a result of that, we have very materially assisted the municipalities; we have erected somewhere in the neighborhood of 15,000 houses in that time, as a result of thatlegislation, and, furthermore, this legislation which is now proposed is complimentary to the Dominion legislation, and I can assure the hon. members of this House that

the Dominion legislation is framed onthe legislation which was passed by this House in 1948.

MR. H. C. NIXON (Brant): This Housing Act says, "1944."

MR. FROST: I am speaking about our Act of 1948. In 1948 we brought in the second-mortgage idea. Now, the second-mortgage idea has been taken over holus bolus by the Federal legislation, and made applicable to all Canada, and the housing officials have stated unhesitatingly, and the Federal authorities have stated unhesitatingly---and the hon. Mr. Winters has stated, that the 1948 legislation, which had the effect of lowering the down payments was excellent legislation, indeed was needed, and was needed so badly it was made applicable to all Canada.

In a moment I want to mentionthe difficulties we have had with low-cost housing, and some of the reasonf for it, but before I do so, let me say that we are so anxious to get on with this job. We feel we have done a very excellent job in the last two or three years; we have been instrumental, as I said, in building many, many thousands of houses, and are anxious to get ahead, so anxious that already we are discussing this problem with three cities, London, Kingston and Windsor, even before this legislation is passed, with a view to finding ways and means and the best approach of handling this very great problem.

Mr. Speaker, I want to say a word about this legislation. This legislation is designed to be very flexible. I knowthe legislation introduced by the hon. Minister to my left (Mr. Porter), which he introduced into this Chamber three years ago, was felt to be very flexible, and that has been the fact. I think that the Dominion legislation has been largely moulded on the legislation passed here in 1948, and the result of the flexibility is to enable the Federal, provincial and municipal governments to

deal with a great variety of problems which we have in a great province as large as this, and with the varying conditions we are faced with in Ontario.

Actually, there is very little relationship between the problems here in the city of Toronto and the muncipality of the Yorks and the problems which exists, for instance, in the city of London, and certain of the problems which exist in the municipalities.

This arrangement with the Federal government, I think is a very fine partnership arrangement. They are going into this on a partnership basis. The province and the municipalities on the one hand, and the Federal administration on the other hand, are dealing on a partnership basis with these problems, and we are very hopeful we will be able to work out ways and means of providing the cheapest housing facilities, and the best housing facilities, it is possible to devise.

Mr. Speaker, before I dealwith one or two of the difficulties we have faced in this matter, may I say---and I think this answers the question the hon. member for St. Andrew (Mr. Salsberg) raised---that on the one hand we had introduced and passed legislation here providing for second-mortgage advances, and reduced down payment costs. That has been obviated now because of Federal government legislation. We have been concerned about the so-called "slum clearances." I do not think that the words "slum clearances" are really the proper expression, for situations such as the Regent Park project, and projects of that nature, and actually in a country such as this, and in a locality such as we have in the city of Toronto, it is probably better for people to live in the fine, broad open spaces which surround Toronto, and leave Toronto itself for industrial expansion, subject to the things I will mention here in a moment.

As regards the matter of the construction of what we might

call "low-cost, modest, individual units"; we have given that a great deal of consideration. There is no part of Canada which needs that type of housing more than the very locality in which we are right now. Within ten miles of where we are sitting at the present time, probably there is more need of thattype of housing than any place in Canada.

I want to mention in a moment some of the difficulties we have met in thatregard. However, to deal with that type of construction which has been carried on by the Federal government, through the Housing Corporation, it has been confined largely to the homes for veterans. In our conversations with the Federal authority, it was agreed it was extremely desirable there should be modest, individual units within the reach of those within the lower wage and salary brackets.

(Page C-12 follows)

Again it was felt desirable that this class of unit should be made available for those who wanted to own their own homes, and that the housing corporation should be considered as acting as agent for the Federal and provincial governments. I have no hesitation in saying that my hope and desire is along this line. I would like to see people owning their own homes, and be able to pay for them in small rental payments. I think it leads to a good country, and I think it is much more to be desired than in encouraging people merely to rent homes, and not have a stake in their municipality or community.

I have no hesitation in saying I think we should emphasize home owning; we should make it easy for people to own their own home properties. I hope that will come about by means of legislation which we have introduced. I think I am quite right in saying that the Federal administration also takes that point of view.

There are certain points I might explain. We want to undertake low-cost housing projects in certain municipalities where the need exists. There are varying conditions in the municipalities and areas of the province, and, of course, in dealing with this program the co-operation of the municipalities is necessary. One of the reasons why there is flexibility in this plan is that it is very difficult to lay down a hard and fast rule for each municipality or area. What we might find would work, for instance, in Toronto, might not be satisfactory in the Windsor area.

Therefore, I say we want the co-operation of the municipalities, and the management of the projects -- whether it is by the municipalities or by the housing authority, or, indeed, the housing corporation -- all depends upon the circumstances and size and the nature of the project.

The second point is this: -- and this comes to one of the points raised by the hon. member for St. Andrew (Mr. Salsberg) -- and that is that all of the costs of the project are to be charged against the project. Under the old arrangement for the low-cost housing project in a municipality, the costs of the services were to be borne by the municipalities, and that is where we came into it, with our $300.

In this Act, we are changing that. We are most anxious to assist our municipalities in providing the services in every way we can. We have felt that, and this $300. as a subsidy as we were doing under the Act, perhaps was not satisfactory, and, therefore, under this arrangement, all of the costs of the project will be charged to the project itself. This would include the cost of land, and all of the services will be installed by the project, with a view of relieving the municipalities of the present cost of land and services, to which the province is at present contributing up to $300. per unit.

It is agreed that the municipalities should receive as payment in lieu of taxes an amount equivalent to taxes received by them on the basis of normal assessment and normal tax rates as determined by the Department of Municipal Affairs and the Ontario Municipal Board.

The houses would generally be sold under rent purchase schemes at prices justified by the circumstances in the various areas. Any losses suffered or sustained will be borne on the basis of 75 per cent by the Dominion and 25 per cent by the province whether the premises were sold outright or under rent purchase scheme. While it would be required that the municipalities should bring services to the edge of the project

area, therefore, the province will assist the municipalities in such cases by agreeing to purchase the debentures of the municipality. It is also understood that in some cases a project may be located in an area where the charge should not fairly be borne by any municipality, in which case the cost would be included in the cost of the project. In such a case the installation may later become of value to the municipality, in which case the municipality would reimburse the project for the value of the same.

The above indicates the need of flexibility in such an agreement as the Dominion and the province are entering into. Some examples may be given. The cost of lands and services are project costs. The municipal participation is very greatly reduced. It may be, however, that the co-operation of the municipality will be required to obtain land at low costs and therefore the co-operation of the municipality will be a definite factor in each case. There will have to be municipal responsibility in all cases. On the other side, however, the municipality will be relieved of the cost of land and services as at present, and will receive an amount in lieu of taxes which will be equivalent to normal taxation. This provision is necessary because of constitutional aspects but it will completely meet the municipal complaint of receiving an amount of taxes which does not correspond with the amount which would be collected in the ordinary course.

As I have said, we are dealing now with three municipalities, and we will have more, and by trial and error, the Department of Planning and Development will arrive at a reasonable point.

It is not so strange, in a province as large as ours

that we have varying points of view. We have had some municipalities come to us and say, "We will pay for the cost of the services and land entirely". We think that is too much for them to do. They have been doing that in the past, and we have been giving this $300., but still we think the residue is too great for them.

With this flexiable arrangement, I can assure you, Mr. Speaker, that we are meeting that problem and giving our municipalities a real assistance.

The third point is this: everyone knows one of the difficulties with housing propositions in the past has been this:

(Take D follows)

The municipality perhaps got $70. or $80. in lieu of taxes, and perhaps taxes in some municipalities of $90. and in another case $120. and another case $135. The $135. municipality loses perhaps $50. to $55. because the allowance in lieu of taxes was not sufficient to meet the charge.

We met that problem, Mr. Speaker, head on, and it has been decided that the municipalities should receive as a payment in lieu of taxes an amount equivalent to taxes received by them on the basis of normal assessment and normal tax rates, as determined by the Department of Municipal Affairs and the Ontario Municipal Board. In other words, the Federal Government were quite free with us in that they said: "If a house worth $5,000. is erected in Peterboro, then you people determine what a $5,000. house would bring in in taxes in Peterboro, and that will be paid. Take the same figure for Brampton or for Leaside or for Toronto, and the amounts will be paid."

MR. SALSBERG: Why not let the municipality fix the tax?

MR. FROST: I beg your pardon?

MR. SALSBERG: Why should not the municipality fix the tax?

MR. FROST: The point is this: Let us be fair about this; we were not born yesterday, and neither were the municipal people born yesterday. After all, it is not fair for us to turn to the Federal Government and say: "We want you to pay the taxes here in the Province of Ontario", and turn to the municipalities and let, for instance, the town of Lindsay charge 100 percent. assessment and assess

my hon. friend (Mr. Salsberg), who might own property there, at 50 percent.

MR. E. B. JOLLIFFE (Leader of the Opposition): Lindsay would not do that.

MR. SALSBERG: Not Lindsay.

MR. FROST: Any municipality should receive the amount in taxes which it would normally charge in that municipality for similar property. In other words, I have no sympathy with the point of view that we should take the Federal Government and use them for fair game. After all, we are asking for a fair deal. now let the deal be fair. By this arrangement, it will be fair, the municipalities will get the amount of money which they would get for taxes on a property of that value, another municipality on the rates of assessment which they will have, in other words, the Department of Municipal Affairs would make this a sort of adjustment or levelling of taxes in each municipality to see that the project receives decent justice, the same as any other project would get.

MR. SALSBERG: Would the hon. Premier (Mr. Frost) permit -- subsection five speaks only of taxes for land.

MR. FROST: I know, but "land" means everything.

MR. SALSBERG: Not necessarily.

MR. FROST: When they buy a piece of land, they buy everything on it.

Hon. G. H. DUNBAR (Minister of Municipal Affairs): The Assessment Act.

MR. GRIESINGER: Chapter 272 of The Assessment Act will give you your answer.

MR. FROST: That will keep my hon. friend all night

looking that up.

Another point is this, I mentioned a moment ago our desire to sell these houses to people on a small down payment, on a rental payment plan. The houses would generally be sold under rent-purchase schemes, at prices justified by the circumstances in various areas. Any losses suffered or sustained would be borne on a basis of 75 percent. by the Dominion and 25 percent. by the Province, whether the premises were sold outright or under a rent-purchase scheme, and it would be required that the municipality should bring services to the edge of the project. This is another reason for flexibility, that in some cases the municipalities would have to borrow to provide services to the edge of the project area. Therefore, the Province will assist the municipality in such cases by agreeing to purchase the debentures of the municipality. That will be a place in which our Municipal Development Corporation will come in, and I think it was a very proper place for it to come in.

It is also agreed that in some cases a project may be located in an area where the charge should not be fairly borne by any municipality, in which case the cost would be included in the cost of the project. In such a case, the installation may later become of value to the municipality, in other words, the installation may be put in, there may be no value to the municipality at that time, but then it may become valuable later, in which case the municipality would reimburse the project for the value of the work. I think that would be a fair arrangement.

Mr. Speaker, the above indicates the need of flexibility

in such an agreement as the Dominion and the Province are entering into. Perhaps I should make this plain: we are not entering into an overall agreement with the Federal Government, we are entering into a series of agreements, depending upon the municipalities, and where the municipalities are, and their circumstances.

I am very glad to see here this afternoon we have Mr. Bunnell of Planning and Development; I see Mr. Angus McClaskey, supervisor of the Ontario Regional Office of Central Mortgage and Housing Corporation; and Mr. Gordon Murchison, general supervisor of the Real Estate Division of the Central Mortgage and Housing Corporation, from Ottawa. These gentlemen are very much interested in this subject, because after all, our cases here in Ontario are really pilot cases, we are working this thing out, we are the first in Canada to undertake these things. We are going to work them out by trial and error -- I hope not too much error. I hope what we do here will serve as a pilot for us and for the rest of the Dominion, because, after all, this is a new venture in federal-provincial relationships, which I sincerely hope will be successful, and which I am sure will be successful.

Municipal participation is going to be very greatly reduced, but I think my hon. friends here will agree that for the federal and provincial governments to go into any municipality and to undertake a project without any municipal co-operation or participation at all, is wrong. This thing has got to be a three-way purpose, between the municipalities, ourselves and the federal government, in which the very heavy end of the cost will be borne by the two senior

governments, leaving the municipalities with a very much smaller proportion of the cost than they have been hitherto bearing. It may be, however, that the co-operation of the municipalities will be required to obtain land at low cost, and therefore, their co-operation will be a definite factor in each case. There will have to be municipal responsibility in each case.

On the other side, the municipality will be relieved of much of the cost that they are presently bearing in cost of land and services, and they will receive, as I say, their normal taxes. My hon. friend, the member for St. David (Mr. Dennison) mentioned "encouraging municipalities into building schemes". Nothing will encourage municipalities into building schemes more than the fact that they will get their normal taxes. That has been one of the great detriments. Go to any municipality in Ontario and say: "Why have you not gone into a building scheme?". The minute they build 100 houses or 500 houses, they are faced for 20 years or more with subsidizing the taxes on those properties from the other general taxes in the municipality.

The fact these projects will carry their own taxes from now on is, I think, the greatest single thing that can be done to encourage projects of this sort. Again, Mr. Speaker, flexibility is the important underlying factor in this whole thing.

I should just like to say this in reference to the statement of my hon. friend, the Minister of Planning and Development (Mr. Griesinger): he says "the then Minister of Planning and Development, now the Attorney-General" -- the hon. Minister of Education (Mr. Porter) -- placed in

his estimates the sum of $300. "to subsidize the municipalities of Ontario up to 50 percent. of the cost of their services". May I say again, I do not want to be boastful -- my hon. friend, the member for St. David (Mr. Dennison) would never believe I would want to be boastful -- but we were the first administration in Canada to do any such thing as that, to give any subsidy at all to the erection of houses. That covered 10,000 units, and may I say, Mr. Speaker, nobody is more disappointed than my colleague to my left (Mr. Porter) and myself are that it has only worked out to date to 3,000 units. I want to give you the reason for that and perhaps my hon. friends opposite can assist us in this matter, can assist us in getting a point of view which is going to help the people of this great Toronto area to get down to solving their difficulties. There is no area in Canada that needs a considerable amount of low-cost housing more than the Toronto area.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Until these 13 municipalities get together and decide to solve their difficulties, there is going to be very little that can be done to assist them. May I say, Mr. Speaker, that this Act, this arrangement with the federal administration, which is the result of the joint experience of the Ontario and the federal governments, which I think is very fine legislation, legislation which I think is going to help 900 municipalities in Ontario, can be of very little assistance to the Toronto area until that area decides to get rid of an archaic municipal system such as they have at the present time.

I remember last summer, and you, Mr. Speaker, and hon. members of this House will recollect that time after time we have had a deputation of the Board of Control from the City Hall in Toronto go down to Ottawa, and it would not take you very long to diagnose the trouble once you got into it. My friend the present Hydro Commissioner, Mr. Saunders, when he was Mayor, would go down with his Board of Control, then Mr. McCallum would go down with his Board of Control, and they would see Mr. Winters or whoever his predecessor was --

AN hon. MEMBER: Mr. Howe.

MR. FROST: Then they would come back and nothing would be done. Mr. Speaker, I say that nothing can be done, I say that it is simply ludicrous that the Toronto City Council should parade to Ottawa or up here and seek for assistance in connection with low-cost housing, because under this municipal system we have here in the Toronto area it just cannot be done.

Mention was made here by one of the hon. members opposite that there is lots of land around Toronto. So there is, but just go out this afternoon and get one of the Reeves in the area to agree to have a project put in his municipality. He will not do it. Why should he do it? The minute it is put there -- heretofore they were not getting enough taxes to carry it, and if they have the project located there, there are school costs. My hon. friend, the Minister of Municipal Affairs (Mr. Dunbar) knows the difficulties, and the hon. Minister of Education (Mr. Porter) knows that Toronto is becoming depopulated of children. I was talking to one of the officials this morning about some of these

great, fine schools in the City of Toronto, which used to have 40 pupils to a room, and which are now down to 32 pupils a room. These pupils are going out to these outlying areas, and I will say this, despite all the talk there has been, our grant system is really needed by the people in these little communities in the outlying parts, if we are to continue this present system which we have.

This great City of Toronto, with its tremendous assessments, its new industries and new buildings, is lucky to get any grants from us at all.

AN hon. MEMBER: They are hoping for some.

MR. FROST: The fact is, actually, to do real justice in this community, there ought to be a consolidation.

I have been waiting for some of you people to make speeches on this, and finally I had to make one myself.

AN hon. MEMBER: Go ahead.

MR. FROST: There should be a consolidation of this great area here. I do not want to be dogmatic, and neither my hon. friend, the Minister of Municipal Affairs (Mr. Dunbar) or myself shove any people around or crack the whip.

MISS A. MACPHAIL (York East): That is not what they think.

MR. FROST: What we are doing is point out the situation to be met in this area, and I want to leave it with hon. members of this House to do, perhaps, a little bit of missionary work. Here is the situation: in this area here, in 1900 we had a population of about 214,000; by 1920 it was up to half a million; in 1940 it had reached 875,000; this year it is up to a million people, and,

as sure as we are in this Chamber, 25 years from now it probably will be a million and a half or perhaps two million people. Instead of dealing with 13 municipalities and a million people, we will probably be dealing with 25 municipalities and two million people.

My hon. friend, the member for Brant (Mr. Nixon) has heard this thing discussed many times. A dozen years ago this problem was discussed here, and perhaps it would have been better if something had happened at that time to bring the matter to a crisis. However, I am always optimistic, I hope that by January first, 1951, the people of this area will have come together in something that will be just as broad and important to them, almost, as confederation itself was some 83 years ago. I think it is a very important thing.

Mr. Speaker, we have at the present time in this great area divided authority, but we have common interests and I can assure you that much as we tried last summer, under the very broad Acts which we had at that time, with very generous school grants, with subsidies to municipalities, with a federal government that was wanting to do something in the area -- and that is not just because there was an election, but they were wanting to do something in this particular area -- I can say, Mr. Speaker, that nothing could be done.

Here is the situation, the broad needs in this community are these: there should be arterial highways to get people in and out of Toronto at rush hours. I think it is pretty tough business for a person to work in some of the industries downdown or some of the offices downtown,

for instance right in this building here, and then have to "straphang" for two hours going home at night and two hours down in the morning. That is the sort of thing that is happening. Surely our way of life in this community can be improved so that people can be taken to and from their homes to work and back again without standing half their lifetime on streetcars. I think that is sensible, and I believe the people of this community will want to face up to it.

Take, for instance, an adequate water supply and sewage disposal. What is the use of our going out into some of these fine township lands and building projects with three or four thousand houses and having no place to put the sewage but into the old Don River or the Humber River, and some day starting a plague in this community? Such facilities are absolutely needed, if this community is going to expand, there has got to be a common sewage disposal and water-works system to make things go.

With respect to transit facilities, I think the City of Toronto has been doing a magnificent job in transit facilities, but they are only commencing it. They are working for some 600,000 people when there over a million people in the area who must be taken care of.

I will not mention fire and police. Some people think perhaps those are the most important, but I would leave them out of the picture. I think perhaps there is a minimum of those things -- after all, if the place burns down, you can always build it up again, but that is different from some of these other things I have mentioned.

Then there is the overall question of education. With the population of the heavily industrialized area of this community falling off and the people going to the outside communities, it is simply reaching a point where we are going to be complicated with waste at every turn of the picture, we are going to be faced with great schools in this community that are going to be of little use to people, whereas they could easily, in an area like this, transport pupils into some of the fine schools already existing in the city and save the outlying areas from an addition to the present school costs. If it were up in the district of my hon. friend the member for Brant (Mr. Nixon) or my own district, we would carry children 30 miles to school, while here we are building schools within a few hundred yards of each other because they happen to be in a different municipality in this area.

Take the overall question of housing, the subject matter of this Bill. Mr. Speaker, that is the very reason why, if you are going to have fine housing nice,places for people to live, green areas, good transportation, then you have got to get a different municipal system than you have got here. That, I think, answers several of the questions which have been raised here.

I would say, Mr. Speaker, that, of ourselves, we would have called a conference earlier, but the difficulty was that neither the report of the Toronto and York Planning Board nor the report of the Civic Advisory Commission was available, the Gore and Storrie report did not, I think, become available until late in the year, then there were

municipal elections which intervened which meant we could not really deal with the elected representatives of the people, and it got down to this, that January was about the earliest time the matter could be considered.

Mr. Speaker, I wanted to say this on that great topic, which so greatly affects the working of this Bill, because if this area will come together either in a metropolitan area or by amalgamation, if they will come together under either of those systems, then this Bill will bring great benefits to this area.

(Take E-1 follows)

If they continue on and carry on as they have been at the present time, then I say this Bill here can be of little benefit to this area. Now, Mr. Speaker, just in that connection, personally, I always have a preference for preserving history and the tradition of localities. Personally, I like local government in these areas if it can be done. That would be my thought and I am sure that would carry with it the view of my colleagues and I have no doubt the views of the hon. members of this House. The great difficulty in looking at a metropolitan area is this, a metropolitan area might be likened to a county council in our rural parts. If we were to have a metropolitan area here, you would have an over-riding council or board which might be akin to a county council. Now, what do they have to do. They have to look after most of those things I have mentioned here---obviously, education. How are you going to have a great industrial concentration here in Toronto, and we see it increasiing every day and we have little homes out in the communities that are paying the heavy costs of education. It would seem to me that is of number one importance. Then, what about your arterial highways? What are you going to do about your great green ares when you have a million people. They have to have a place to play with apopulation of two million people and you are going to have a sysTEM of lack of industrial planning in this community. After all, you do not want factories all over the place. If you are going to have a city of one million or two million people, which is going to be, you have to have a good place for them to live. Take the matter of sewage ANd water works; that is something that is common to all.
Housing in all its incidents is common to it all. After all, housing is inseparable in this great area. You cannot take the important partof people's lives that deal with where they live and so on and have them dealt with in a piecemeal manner. That has to be handled in a particular way. Now, you may say that police

and fire are common, but suppose you leave that out, what is left for a municipal council to do? That is what worries me, what is left for a municipal council to do if you look after all these things which are clearly belonging to the great city area.

Mr. Speaker, I am giving this explanationfor this reason, the people of Toronto we are anxious to helpthem, we have been fighting to assist them in years past and have not been able to do anything. This is a great chance, I think. The plan is a great necessity here and I hope we can get rid of a lot of local irritations. I hope the Mayors and Reeves, sitting together at this time, will come to a solution of this matter. I hope they take a big view of it, because you have to take a big view of a community which is as important as this community. This is a great Act, great things can be done if the community will make it available to themselves. Now, to do that they have to either agree or someone has to agree for them. I think this community, knowing its own situation, can perhaps tell us about a solution so,by January 1st, 1951, this city will have a government which is in line with the needs of a great city.

SOME hon. MEMBERS: Hear, hear.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I am very glad the hon. Prime Minister (Mr. Frost) has such high hopes for the Bill now before the House subject, of course, tothe reservation which he has just mentioned about certain municipal organizations. Before I make any reference to the municipal aspect of the matter, I want to remind the hon. Prime Minister (Mr. Frost) and the hon. Minister who introduced the Bill (Mr. Griesinger) that there appears to have been some change in the thinking of the Federal government with respect to rental housing of the economic type or of the subsidized type. I, too, want to see more people owning their own homes, but I have to recognize,as I think you must all recognize, that in some

cases that is not feasible and particularly at the present time when the costs of houses are not in balance with the earning power of the average citizen. It is not always feasible for every citizen who would like to own a home to do so and I, too, would like to see more people who can rent homes at a reasonable rental which will carry the homes and which will not demand more than a fair share of their earning power. Again, wehave to be realistic and as every social worker and every housing expert can tell us, there are sections of the population which are not today in a position to pay an economic rental.

It is a matter of personal preference, I do not like subsidies any better than anybody else. If it were a matter of preference, I would not like to see a particular group of the community subsidized. I wish it were not necessary, I do not like a subsidy, whether it is the C. P. R., which has had many of them, or whether it is to somebody who has not enough money to buy a home. In either case, it is an unfortunate thing and it is a symptom of the body politic, but it is a fact we know that there are certain groups that cannot pay an economic rental and I gather the Federal government knows that too. Let us face that fact, because when the corresponding Federal bill was in committee someone asked the hon. Mr. Winters, "Does this mean that subsidized rentals becomes possible?", and his answer---I do not r call the exact words, but his answer in effect was, "Yes." It means in some cases there is going to be "subsidized rentals" and he describes it in his letter to the Premiers. I think he describes these arrangements in these words and I take it the government of Ontario agrees.

> "The proposed arrangements with the province are broad and flexible enough to include rental projects either on economic or subsidized basis and the Dominion is prepared to provide that rental housing

projects at any time the provinces feel that rental housing is necessary."

I have only to add this, that it is the province who must feel that rental housing is necessary and we cannot escape the necessity of provincial leadership in this matter.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: Granted the Dominion will have to pay almost all the money but I think that is as it should be. Granted you need the cooperation of the municipalities. We do not want to impose on them something that is unacceptable locally, that would not be sound, but at the same time it is for the province to give the leadership and in that sense I say the provincial responsibility is bigger than the municipal or Federal responsibility.

MR. FROST: In a case like that, of course, when you get into a subsidized rental proposition, the municipalities obviously have to take a part in that, otherwise you could not do it at all. The hon. Minister of Planning and Development (Mr. Griesinger) mentioned that. He said that it was the desire of the partners, that is the Federal government and the provincial government, is to encourage home ownership. If sufficient low cost houses are erected and sold it immediately makes present accommodation available for others and tends to reduce rents. If there is to be a subsidy in rentals on new accommodation, then the municipalities desiring such must bear a share of the costs. The point is, if Kingston comes to us and says, "We want a subsidized rental proposition here," we are prepared to discuss it with the city of Kingston. Now, you may go to the city of Guelph, perhaps they do not want any such thing and this is flexible enough to take care of that situation.

MR. JOLLIFFE: I think it should be flexible but it seems

to me---let us not forget that some municipalities will stand in much greater need of subsidized rental housing than others. I imagine some of them will not need subsidized rental housing but there are so e places that do, and will. Some of them will be municipalities which can least afford to share in the subsidizing process. I say these things because I want to emphasize that one of the points made by the hon. member for St. David (Mr. Dennison) namely, that the province has to give leadership, and leadership not only in a financial or organizational sense but I think also leadership in the construction industry. There is no doubt about it, whatever the reasons may be,---I am not going to discuss the reasons---the construction industry has not made such progress as most other industries inthe last 100years, or in the last 20 years. There is something very wrong about construction costs of housing and I think it is a question to which a good deal of research might well be devoted.

Without saying anything more about that I turnfor a moment to the other question raised by the hon. Prime Minister (Mr. Frost). There is much withwhich I can agree in what he said, but nevertheless, it is no good assuming that this Act can be of no use, that nothing canbe done for municipalities which have failed to agree in some way or the other. After all, the Municipal Act under which our municipalities function is an Act of the Legislature of Ontario, justover 100 years old, I think, and it has been amended many, many times, but if it is true to say of this area that it is an archaic organization, as I think thehon. Prime Minister (Mr. Frost) said--

MR. FROST: That is right.

MR. PORTER: It might also be said there are several things about the Municipal Act and Assessment Act generally which are archaic and we are responsible for the Assessment Act and the Municipal Act and we cannot attach any responsibility to the muni-

cipalities which has official powers inthe legislation.

So far as the Toronto and Yorks area is concerned, I think everybody recognizes that the present municipal organization is not appropriate to conditions as they have developed in 1950, and as they will undoubtedly develop in future years. I think everybody is agreed on that. The question is, what form of organization would be better and that is something which in the first instance ought to be very carefully considered and if possible agreed upon by the municipalities concerned. I see it had been inquired into thoroughly some time ago but at any rate it is now being very thoroughly inquired into. It has been discussed some times with heat and now that it has been inquired into and knowing that it has been discussed, I hope it is going to be very, very carefully considered by all the municipalities concerned and we hope and believe they can come to an understanding with each other. I suppose it is just about impossible to satisfy everybody in the world, and that is probably true about municipal areas as much as any other place, but it seems to me some medium of agreement should be reached and I think I agree with the hon. Prime Minister (Mr. Frost) and with hon. members of this House that we should give assistance if only by refusing to get too excited about the issue and I think this ought to be settled because we cannot wait forever. For my part, I do not think that the provisions of the Municipal Act, that is to say, the annexation procedure, which is available under the Municipal Act, I do not think they are very appropriate for a problem such as we find in the county of York. I am not going to give this House, and I am not able to give this House or anybody else a snap solution, but we do know that a very careful study of the problem has been made. I think probably the most careful study is the one which has not been completed. When it becomes available, I sincerely hope it will be good and will be given earnest considera-

tion by everybody in this area as it should be by the government and of this Legislature and by the municipalities themselves. In any event, houses continue to be built in this area notwithstanding temporary setbacks in North York and when these houses continue to be built, the population continues to increase, the demand for water facilities---

MR. FROST: The hon. leader of the opposition (Mr. Jolliffe) will realize this, that my reference was, of course, to low cost housing in this community. Actually speaking, there is all sorts of the other type of housing, $10,000 and up. There are, I suppose, thousands and almost tens of thousands of houses being erected in this area in the low cost areas. This is happening in Windsor, London, Brantford, Peterborough and places like that.

MR. JOLLIFFE: Yes, and one of the principal difficulties in this area now is its experiencing an industrial growth without a corresponding increase in the low rental housing which is required for the industrial workers coming into this area and that is going to be a much more serious problem in the future. Mr. Speaker, this Bill is going to depend not only on the ability of certain municipalities to agree, but it is going to depend to some extent on the driving force and the influence of the hon. Minister of Planning and Development (Mr. Griesinger) who introduced the Bill, and the government, and the leadership which is given by this government in this situation and I trust that the government this year whether it is in the Toronto area or elsewhere, will do all in its power to take advantage of this new partnership and to make it possible for more houses to be built for workers and others as quickly asposible.

SOME hon. MEMBERS: Hear, hear.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, the explanation of thehon. Prime Minister (Mr. Frost) raises more questions in my mind and I am sure in the minds of others than we had prior to

his explanation. Now, the hon. Prime Minister (Mr. Frost) in his very gentle way, and he is a gentle man has unfortunately cracked the whip againon Toronto and the adjoining municipcalities. I for one do not think that the hon. Prime Minister (Mr. Frost) should do that. I do not think he should intimidate Toronto and the municipalities. I do not think he should crack the whip over their head; I do not think he should deliver ultimatums to Toronto and the adjoining municipalities and he does just that and he did that this afternoon in order to coerce them into a very hasty step in a field where hesitation and cool deliberation is necessary. What I said about the hon. Prime Minister's (Mr. Frost) action is also said by others. I recall reading a headline in the Globe saying "Frost Delivers Ultimatum." You would not think the hon. Prime Minister (Mr. Frost) was the kind that delivers ultimatums but he does. You would not think he was the kind to crack whips, but he does, and he did it this afternoon. I do not think Toronto and the municipalities should be treated that way and I think the urgency of the situation demands cooperation and a level headed approach which should be taken by the province and all the municipalities concerned.

Now, the Bill before us is so flexible that I think it becomes collapsible. That is a fact. The hon. Prime Minister (Mr. Frost) praises the Bill for its flexibility and he praises the Ottawa Bill for flexibility and it is very interesting to hear "Winter" praise "Frost" and "Frost" getting close to "Winter," and both satisfied with a very flexible approach. Now, flexibility is a virtue but I suggest that it is not just a flexible Bill, it is a Bill that can be interpreted the way anyone wishes and can result in absolutely no action of significance in the solution of the housing problem. In the first place, I do not think that the hon. Prime Minister (Mr. Frost) being the man that he is---I am still obliged to preface everything I say about the

hon. Prime Minister (Mr. Frost) with an apology---should not make statements of the sort that other men made beforehim, namely, that this province as a result of its laws erected 17,000 houses. Now, this government has not built a single house, not one, because of this legislation. All it did was to provide second mortgages on houses already built by private builders.

MR. GRIESINGER: Oh, no.

MR. SALSBERG: You cannot deny a fact, I mean, you can try but you cannot. The government legislation did not result in the construction of an additional single house. Contractors and builders of all sorts were engaged in --- what it amounted to was that certain people who could ill afford to purchase these homes because of their low income and lack of cash, bought them with the assistance of a second mortgage. Whether they will be able to keep these homes if the economic weather should become a bit stormy is another thing. I hope that not a single person who purchased with this second mortgage scheme will lose his property. That is quite a difference from erecting new houses. This government has not done that, and this Bill leaves doubt as to whether it will erect them. Now, whether the cracking of the whip and the delivering of that ultimatum will coerce municipalities here to take steps before they are ready, remains to be seen. I hope they will not be coerced, I hope they will not be stampeded. I do not care if anybody is interested in big building projects to the north of this city and have bought acres of land, that these schemes will have to wait while some of these people are--

MR. FROST: How about the people living in garrets?

MR. SALSBERG: Those are the people I am speaking for and this legislation does not help a single family. Those are the people that ought to be helped, people in stores and people in basements and this will not help them.

(Take F follows)

Well, I hope the municipalities will not be coerced in the meantime.

MR. FROST: This question has been discussed here for 25 years now, and then he talks about "coercing".

MR. SALSBERG: Well, if it is going to be --

MR. FROST: He wants to talk of it for another 25 years.

MR. SALSBERG: It may have been discussed for 25 years, certainly it has been discussed ever since I have been in the House, and that is just an indication of the kind of governments we have had in the last 25 years. All they did was just talk about it, and not solve it.

MR. FROST: Well, you do not want us to do anything about it now.

MR. SALSBERG: I would certainly like to see this Government out of office, and the sooner the better.

MR. FROST: You want to sit here and talk about it another 25 years?

MR. SALSBERG: I am not promising, but I will do everything I can to help it along. However, in the meantime --

AN hon. MEMBER: Stalin refused to come over.

MR. SALSBERG: Lay off Stalin, you know what Churchill says.

AN hon. MEMBER: He refused to come over.

MR.SALSBERG: In the meantime, there is the City of Toronto, there are these adjoining municipalities, and the problem, as indicated by the hon. Premier (Mr. Frost) himself is this, and when I raised the question about services, I did not limit it in my mind,to sewage, water

and things of that sort, they are important but the erection of schools which the hon. Premier (Mr. Frost) referred to, that is important. When we put down 400 or 300 houses, the municipality needs a school immediately, and goes into debt for a million dollars, and this province could help the adjoining municipalities by assuming the cost for the erection of schools and making a contribution toward the educational costs in the adjoining municipalities, and they would be all glad to have these new houses constructed.

This Bill, section five -- and I must return to it -- says very clearly, and I can still read, it is true I am beginning to need glasses, but I still can read --

Hon. DANA PORTER (Minister of Education): You can, but you do not.

MR. SALSBERG: I think I can. It says very distinctly that this Government is undertaking a sum of money not in excess of an amount that, in the opinion of the hon. Minister of Municipal Affairs (Mr. Dunbar) is equivalent to the sum of money that would have been paid to the municipality as taxes on lands acquired for any such project. Then the hon. Minister of Planning and Development (Mr. Griesinger) and the hon. Premier (Mr. Frost) replied to me by saying that means all the taxes will be paid. But then the author of the marginal notes says, on page two of the Bill, opposite subsection five -- he calls it "payment for lost taxes".

MR. FROST: That is right.

MR. SALSBERG: And that is precisely what it is, and I cannot understand how the hon. Minister (Mr. Griesinger) and the hon. Premier (Mr. Frost) can reply to my question

in so positive a manner, saying that all the taxes will be paid, when the subsection speaks clearly of a limited payment and the marginal note makes it abundantly clear that this is a compensation for lost taxes.

MR. FROST: Mr. Speaker, the reason for that is quite plain. We are in a partnership with the federal government. By the constitution, Ontario or her municipalities cannot tax federal government property. This is what was said: in our first protest to them, we said: "Why not let these properties be assessed in the ordinary course, and let the taxes be levied and paid in the ordinary course?". "Well", they said: "we cannot do that because of the British North America Act, that is the constitutional situation which we cannot waive, but", they said, "we will do this for you, we will do what amounts to the same thing in money. We will agree to pay to every municipality the amount of taxes by way of a subvention that would have accrued if the property had been taxable".

Mr. Speaker, I cannot complain about that, I do not think my hon. friend (Mr. Salsberg), if he wanted to be reasonable, could complain. The municipalities of this province are delighted with such an arrangement. There has not been a complaint. The municipalities come to us and say: "Now, that is the kind of Bill that enables us to carry on".

MR. SALSBERG: Mr. Speaker, I assure the hon. Premier (Mr. Frost) I am the most reasonable man in this House, and I am not forgetting him when I say that. I want to be very reasonable. I have yet to see the municipalities running

to the Government with such enthusiasm as he pictured here. Certainly if we are to read legislation as it is printed, and placed before us, it is not indicated that it is as explained by the hon. Premier (Mr. Frost). I do not question the hon. Premier's word, but then of course I think if that is the case, the legislation should be written a little differently, the marginal note should be a little different, and we should know what is what. However, I suggest it certainly is not very clear.

I want to conclude these few remarks by saying this Bill is of course inadequate, I fully agree with the sentiments and the opinions expressed by some hon. members of the Official Opposition on this score. It misses the point, the most essential problem in housing, and that is the building of subsidized low-rental housing. The fact is that even in this city where housing is so serious a problem, the newspapers are filled with columns of houses offered for sale, but the prices are beyond the ability of the workers and lower middle-class groups to buy such houses. That is the problem, and we solve very little if we allow this situation to continue and actually force people to buy above their means, because we are tying a millstone around their necks and we are injuring the future of many families by forcing them into such a position.

This Bill does not touch, therefore, the heart of the problem, which is the construction of homes which will be for rental purposes and that will clearly be of a sort that are subsidized.

Let us not run away from the word, let us not be afraid of it, it is the only way we will provide housing for the

section of the population that needs it most. If we do not do that, then we do very, very little.

It is true that the addition of any number of houses in the long run must have some effect, it eases the situation, unfreezes it somewhat, but let this House beware of the fact that regardless of the figures we can quote, 17,000 on the one hand and 37,000 on the other, the housing shortage in Toronto is as great today as it was five and six years ago, before these houses were constructed, that the normal increase in population and also the deterioration of a certain percentage of old houses leaves the problem just where it was, despite the increased number of new houses.

As for solving the problem fundamentally, I suggest that this Bill fails to accomplish it.

MR. L. E. WISMER (Riverdale): Mr. Speaker, judging by the hon. Prime Minister's (Mr.Frost) remarks, this is a very flexible Bill, and he was rather flexible in his remarks about it, and got almost everything into his remarks, including "strap-hangers" and so on. I would rather keep my remarks rather closely to what is involved in this piece of legislation.

AN hon. MEMBER: It will be for the first time.

MR. WISMER: But before I do, I would like to refer the Government, the hon. Minister (Mr. Griesinger) and the hon. Prime Minister (Mr. Frost) to the story which is in this evening's Telegram, which seems to, a bit, cut the feet out from under him. It seems they are going on with a big project up in North York, without any worry about what will happen to the municipalities in this area, and this Bill, and so on.

MR. FROST: Mr. Speaker, let me point out that this has nothing to do with these low-cost housing projects. What we have been endeavouring to do here is fight for the little man, the people who live in garrets and garages and so on, to give them a nice place to live in. That is our hope. We are not looking after the fellows who can build $10,000., $15,000. and $20,000. houses, they can usually look after themselves. We are trying to look after these little people.

MR. SALSBERG: Let us not "garrotte" them while we are doing so.

MR. WISMER: I am very glad to hear that the hon. Prime Minister (Mr. Frost) and this Government finally got around to thinking in terms of the little people. It certainly took a long time. I heard 25 years mentioned. I think it probably took 2,500. Nevertheless, we have now got to the point where we are really going to think in terms of the little people. Let us just for a moment, Mr. Speaker, take a look at this piece of legislation and see how much the little people are going to be involved.

Let us just take a look at the history -- the hon. Prime Minister (Mr. Frost) had some history as to how this piece of legislation arrived before us. While he was mentioning history, he rather remarked on some of the gloom which was on this side of the House, and I would like to say, Mr. Speaker, that he dispelled all the gloom on this side of the House when he suggested that the government at Ottawa and the Government in Queen's Park were practically in each other's pockets, with the same ideology, getting

along very nicely together, the sort of thing we have been telling the people in Ontario and Canada for quite a number of years now.

This Bill is the sort of thing that either the Liberals at Ottawa or the Conservatives at Queen's Park could think up any day in the week, and that means it is not particularly in the interests of the little people.

Let us go back a little to the days toward the end of the last war, in other words, around 1945-46, when veterans were returning from Overseas and there was a great need for housing for themselves and their families, and pressure was applied to the government at Ottawa sufficient to create very special schemes. I am not going to deal with the relationships between these schemes and municipalities. I am going to deal with the actual financing of those schemes and how they were financed and why they were financed that way, and I am going to do that because I want to show you the utter inadequacy of this Bill.

The need that was created was for low-cost housing for veterans and their families, whether for homes to buy or homes to rent, and there are actual situations in which they built homes to buy, at a rental price, if you like, a monthly price to pay, of interest and principal of $37.50. What did that involve? To get a house for a family at $37.50, you must realize you cannot get anything like that if you are not a veteran in this country, you just cannot get it, but a veteran could.

Now, how did he get it? Because the federal government on a patriotic basis was prepared to write off the capital cost at two percent. for over 40 years. That

is the whole answer. It is actually possible in the Province of Ontario to rent, if you are a veteran -- if they are not gone now, I presume possibly you cannot get one now, but if you were a veteran you could rent certain apartments that were built for veterans at $50. a month, a brand-new five-roomed apartment, for $50. a month. How? Because the capital cost was written off on a period of 50 years for two percent.

(Take G-1 follows)

MR. WISMER: Well, Mr. Speaker, we will go on. There are people -- and remember I have no objection to veterans getting that; they deserve it -- but there are other little people in the province of Ontario and the Dominion of Canada who now deserve it just as much.

MR. FROST: Mr. Speaker, --

MR. WISMER: Just a minute, until I finish my story. You have made three speeches already this afternoon.

During the time we were writing off capital in this province at two per cent for forty or fifty years, other people were accepting mortgages for twenty-five years, at two and one-half per cent, and the legislation which the hon. Mr. Winters brought into the House of Commons last fall -- and which we are told this Bill is complementary to -- only amounts to this, that they are arranging for more people to pay a little less as a down payment, and pay less than four per cent, but for a longer time. That was not very enthusiastically accepted by the House of Commons. I do not see why it should be. It was not enthusiastically accepted anywhere in this country. It is no fun paying four and one-half per cent for thirty years, and that is what they are being offered.

There is nothing in this Bill which will do the sort of thing which is required, because this, I think, is the basic factor in housing, and I want to say in as few words as I can, Mr. Speaker, there are certain people in our government who can afford to buy or build their fancy houses in which to live and to house their families; they have a lot of money; they have a large income. But, scaling down from this, we come finally to the point where there are people who can do no more than shelter their families -- nothing more.

I happen to be opposed to this kind of economy, but

that is the kind under which we are living. Those are the kinds of things this Bill is supposed to have something to do with.

Down at a certain point in the income level, there is not a wage earner who can actually afford to own what can be legitimately called a "home". He cannot do it. He has not money enough. All he can do is what would be called in the insurance business "buy simple protection", which is a lot cheaper than what you pay in insurance premiums for those other things you have got.

He can afford something like this. He can afford to pay a small down payment, a tiny down payment -- and pay a monthly rental for something which will be his in title, but which he can only pay for over his whole lifetime, and nothing more. He will not only be able to do that, but at the same time, feed and clothe his family, and educate them, if we cut that money cost down to two per cent or less. There is no use talking about this sort of thing we hear about, that is, people in the building industry being inefficient. Well, if there was inefficiency in the building industry, the competition, according to the statements of the hon. members opposite, would have taken it up long ago. There is no inefficiency in a bricklayer or a carpenter, or other skilled trades in this country. You can cut the wages in half, but you cannot cut the cost of building ten per cent. Take a look at the figures, before you say "no". You can cut the cost of building in one-half, and you would not affect the cost of building, fifteen percent. But cut the interest in half, and see what happend to the cost of building. You bet. That is what counts.

It is the cost of the money, and we are "kidding" ourselves all the time with this kind of thing, some sort of a permissive or enabling legislation in which the government says, "Oh yes, we will do all things", about which the hon. Prime Minister (Mr. Frost) speaks, about all the fancy people in the province of Ontario -- and I agree with him. Some of the finest people live in this province; no doubt the best of them live in the city, in fact, the very best of them live down across the Don, in my riding.

HON. GEO. H. DUNBAR (Minister of Municipal Affairs): How about where you live in Ottawa --

MR. WISMER: There is no doubt, George, (Mr. Dunbar) that down where I live in Ottawa --

MR. SPEAKER: Will the hon. member for Riverdale (Mr. Wismer) please address the hon. Minister (Mr. Dunbar) properly?

MR. WISMER: Mr. Speaker, I would like to say to the hon. Minister of Municipal Affairs (Mr. Dunbar) that down in New Edinborough, the people think very highly of him. It is a rather enjoyable riding, along the banks of the Rideau, and I am sure the old Edwards residence, where the Right Honourable Prime Minister (Mr. St. Laurent) is going to live, is a fine edifice, and I am sure the hon. Minister (Mr. Dunbar) has been down to look at it, and has seen the stonecutters' hut there.

But there is nothing in this Bill, Mr. Speaker, which requires the government of the province of Ontario to do anything about producing a house or apartment in the province of Ontario for anybody at a rental which they can afford to pay. If I am wrong, I would like to have the hon. Minister (Mr. Griesinger) point out to me one word in this whole piece of legislation which does that.

MR. FROST: May I say to the hon. member (Mr. Wismer), Mr. Speaker --

MR. WISMER: No, just a minute --

MR. SPEAKER: The hon. Prime Minister (Mr. Frost) was asked a question --

MR. WISMER: I asked a question. This is second reading.

MR. SPEAKER: Will the hon. member (Mr. Wismer) please be seated while I am standing. The hon. member (Mr. Wismer) asked a question. I want to be fair about this, but the hon. Prime Minister (Mr. Frost) arose in his place to answer, and even on second reading -- and that is an element to take into account --

MR. JOLLIFFE: I think it was more of a rhetorical question --

MR. SPEAKER: That may be, but it was a question, nevertheless.

MR. WISMER: I disagree with you.

MR. SPEAKER: It is subject to appeal.

MR. WISMER: No, I will not appeal, but I disagree with you.

MR. SPEAKER: I am sorry, but I cannot accept the interruption. I recognize the hon. Prime Minister (Mr. Frost).

MR. FROST: Mr. Speaker, I would like to say to the hon. member for Riverdale (Mr. Wismer), that I, too, want to be fair. He speaks about legislation being drafted in a very broad way, and says there is nothing in it which provides this, that, or the other thing.

The fact is, Mr. Speaker, that some criticism was levelled at our legislation of 1948, and yet the Federal

government, in its wisdom -- and I think very properly so -- drafted their legislation on our 1948 legislation, and actually, to bring our legislation of 1948 in line, we brought in this very brief Bill, covering only two sections.

The hon. member for Riverdale (Mr. Wismer) said we do not intend to do anything. I would ask him to look at what has been done in the last year or two. In two years, $20,000,000. has been spent in the greatest housing scheme of any of the provinces of Canada. I say, in answer to the hon. member (Mr. Wismer), look and see what has been done, and I can assure the hon. member (Mr. Wismer) that what will be done will be a very big thing indeed in this province.

MR. WISMER: Mr. Speaker, perhaps it is just as well we heard the hon. Prime Minister (Mr. Frost) speech. I had rather forgotten about this 1948 legislation, and how the Federal government picked it up, and I might remind the hon. members of the House that the Veterans Department have had to close the development in housing in the higher income brackets and the higher capital costs brackets, is coming more and more to a close, and I have been told that people in Ottawa, and even in other sections of the country, were getting alarmed there would not be much house-building done, and so they pressed on the Federal government to bring in legislation, at least of the enabling type, to provide for low-cost housing.

As I see what happened, the government at Ottawa took a leaf from the book of the government at Queen's Park, by passing legislation full of -- shall I say "sound and fury, signifying nothing".

I see we are getting close to six o'clock, so I will close.

This Bill does not saying about building houses. If you would like to call up the people of the Central Mortgage and Housing Corporation in Ottawa, they will tell you that the Winter's Bill last winter did not do anything about building houses. It is no secret. The Federal government did not want to placeitself in the position of subsidizing housing, unless a lot of other people in a long, round-about, circuitous route, got around to asking them; nor did they want to get themselves into a position where if they liked the proposition -- if, if, if -- they would do something.

This government wants to make a great deal out of the idea it is passing complementary legislation.

Mr. Speaker, in closing, I want to say this: that the housing shortage in the province of Ontario is more acute today that it has ever been, and this government would do itself a lot more good by saying something about the acute housing shortage, than by wielding the "big stick" over the municipalities in the Toronto area. I think perhaps something has to be done about the relationship between the various municipalities in the Toronto area, but whatever is done, I would like to say, as a representative of a large section of the city of Toronto, I do not want the small people hurt, and I shall be keeping my eyes on this government, and particularly the hon. Prime Minister (Mr. Frost) and the hon. Minister of Municipal Affiars (Mr. Dunbar), to see that they are not.

I think the way the mayor of Toronto has stick-handled himself into a trap does not indicate very much good, from the hon. Minister of Municipal Affairs (Mr. Dunbar).

MR. DUNBAR: You mean the small people in your riding?

MR. WISMER: As far as the question of getting houses

built in the Toronto area; I am still not convinced by anything that was said by the hon. Minister (Mr. Griesinger) piloting the Bill, nor by the hon. Prime Minister (Mr. Frost) that we cannot have a sizeable housing development, of a low-cost or low-rental housing, subsidized, if necessary, in this area, regardless of the relationship between the municipalities, or between the municipalities and this government.

I think this is a blind, to make it look as though you want to build houses. You bring in the big stick, and so on, to try and get the municipalities to go where you want them to go, and the whole thing gets into a great muddle, and blinds the eyes of everybody.

Let us be clear. You do not have to do anything of the sort about which the hon. Prime Minister spoke, about municipal relationships, nor any relationship between the municipalities and this government, in order to get low-cost housing, and a project of that type in this area.

MR. FROST: Then why is it that the Toronto area has less low-cost housing than any other area? Why is it?

MR. WISMER: I believe the simple answer should be placed in the hands of the hon. Prime Minister (Mr. Frost).

MR. FROST: No, it is the municipal system --

MR. WISMER: No. After all --

MR. FROST: The hon. member (Mr. Wismer) is walking around in a trance. He should get out of it, and he will find out that what I say is true.

MR. WISMER: I will finish with this: I think that sort of remark indicates the size of the government. I reiterate there is nothing in this legislation which puts any

more houses into the Toronto area, and if you wanted to, without any legislation whatsoever, there would be plenty of low-cost housing in the Toronto area. No legislation is necessary at all.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move the adjournment of the House, and in so doing, may I say that tomorrow we will proceed with the addresses in reply to the Speech from the Throne. The first speaker will be the hon. member for Grey South (Mr. Oliver).

Motion agreed to.

The House adjourned at 5.58 o'clock p.m.

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Volume 9.

P R O C E E D I N G S .

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-EIGHTH DAY OF FEBRUARY, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY, AT THREE O'CLOCK, P. M.

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Toronto, Ontario.
Tuesday, February 28, 1950.
3:00 o'clock, p. m.

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3:00 O'CLOCK, P. M.

And the House having met.

PRAYERS.

MR. SPEAKER: Presenting Petitions.

Reading and receiving Petitions.

Presenting Reports by Committees.

MR. R. ROBSON (Hastings, East): Mr. Speaker, I beg leave to submit the first report of the Committee on Agriculture and Colonization, and move its adoption.

CLERK ASSISTANT: To the Honourable the Legislative Assembly of the province of Ontario.

Gentlemen:-

Your Standing Committee on Agriculture and Colonization begs leave to present the following as its First Report:

Your Committee begs to report the following Bills without amendment:

Bill No. 41, an Act to amend the Agricultural Associations Act.

Bill No. 42, an Act to amend the Farm Products Grades and Sales Act.

Bill No. 43, an Act respecting Live Stock and Live Stock Products.

Bill No. 44, an Act to amend the Farm Products Marketing Act, 1946.

Bill No. 45, the Stallion's Act, 1950.

Bill No. 46, The Weed Control Act, 1950.

Bill No. 47, an Act to provide for the establishment of Restricted Areas for Seed Potatoes.

all of which is respectifully submitted,

(Signed) Roscoe Robson

Chairman

MR. G. W. PARRY (Kent, West): Mr. Speaker, I beg leave to present the first report of the Committee on Stand-

ing Orders, and move its adoption.

CLERK ASSISTANT: To the Honourable the Legislative Assembly of the province of Ontario.

Gentlemen:

Your Standing Committee on Standing Orders begs leave to present the following as its First Report:

Your Committee has carefully examined the following Petitions and finds the Notices as published in each case sufficient:

Of the Corporation of the town of Port Hope and the Corporation of the Trinity College School, praying that an Act may pass validating and confirming an agreement made between the said Corporations, bearing date the 2nd day of August, 1949, whereby the Corporation of the Town of Port Hope agreed to convey a certain portion of the Town Park to the school for the purpose of building an artificial ice arena thereon; and whereby the Corporation of the School agreed to convey a certain parcel of land adjacent to the Town Park to the town in exchange for the aforementioned parcel.

Of the Corporation of the city of Hamilton, praying that an Act may pass confirming certain by-laws of the Corporation and a certain agreement between the Corporation and the Hamilton Police Benefit Fund respecting the winding up of the said Fund.

Of the Corporation of the town of Parry Sound, praying that an Act may pass declaring null and void a certain restrictive covenant known as the Beatty Covenant contained in certain indentures affecting the lands set out in Schedule A of this petition.

Of the Corporation of Canada Conference Evangelical Church, praying that an Act may pass changing the name of the Corporation to the Canada Conference The Evangelical United Brethren

Church.

Of the Trustees of the Police Village of Malton, praying that an Act may pass incorporating the lands described in the proposed Act as a town to be known as the town of Malton.

Of the Corporation of the city of Port Arthur, praying that an Act may pass amending sub-section 3 of section 3 of chapter 91 of the Statutes of Ontario, 1906, "An Act respecting the town of Port Arthur", by striking out all the words after the word "purposes" in the eleventh line thereof and substituting therefor the words "Provided that the said Corporation subject to the Bonus Limitations Act, may sell or lease any part of the said lands that is not required for the purposes aforesaid to any person and any moneys realized from such sale or lease shall form part of the general funds of the Corporation", and further to repeal Section 5 of chapter 81 of The Statutes of Ontario, 1923.

Of the Corporation of Central Canada Exhibition Association, praying that an Act may pass amending its Act of Incorporation as amended from time to time.

Of the Corporations of the Border Cities Young Men's and Young Women's Christian Associations, praying that an Act may pass amending the Corporation's Act of Incorporation so as to exempt the Corporation's lands, etc., from taxation for school purposes.

Of the Corporation of the Ottawa Young Men's Christian Association, praying that an Act may pass removing the limitations upon value, and the manner in which, and where, in Ontario, the Corporation may acquire and hold real estate; and to enlarge the Corporation's exemptions from taxation upon real estate.

Of the Trustees of the Mount Hamilton Branch of the Canadian Legion and of the Commissioner of the Governing Council of the Salvation Army of Canada East, praying that an Act may pass validating an agreement for sale of certain lands and premises by the Salvation Army to the Mount Hamilton Branch of the Canadian Legion free of all the trusts contained in a certain Indenture dated June 23rd, 1860, and registered in the Registry Office in Registry Division of Wentworth in book for Township of Barton No. D234.

Of the Corporation of the village of Long Branch, praying that an Act may pass enabling the Corporation to establish a pension plan for its employees and erecting the said village into a town.

Of the Corporation of the city of Welland, praying that an Act may pass confirming an Order of the Ontario Municipal Board, dated September 27th, 1949, annexing certain lands in the township of Crowland to the said city.

Of the Corporation of the township of Cornwall, praying that an Act may pass validating and confirming a by-law of the said Corporation, No. 1618, for the year 1949, and an agreement dated March 7th, 1949, between the Corporation and the Ottawa and New York Railway Company and the New York Central Railroad Company.

Of the Incorporated Synod of the Diocese of Ottawa, praying that an Act may pass authorizing the said Corporation to invest its funds and all trust funds held by it, in such securities as are now, or shall hereafter be authorized investments for Joint Stock Insurance Companies and Cash Mutual Insurance Corporations under the Companies Act of Ontario, and to alter and vary such investments from time to time by sub-

stituting others of like nature.

Of the Corporation of the city of Windsor, praying that an Act may pass reconstituting the Board of Governors of the Metropolitan General Hospital; and for other purposes.

Of the Corporation of the town of Leamington, praying that an Act may pass confirming a by-law of the said Corporation to establish a Public Utilities Commission and for other purposes.

Of the Corporation of the town of Riverside, praying that an Act may pass withdrawing the said town from the jurisdiction of the County of Essex.

Of the Corporation of the township of Sandwich West, praying that an Act may pass raising the minimum tax on any parcel of vacant property in the said township to the sum of $3.00.

Of the Corporation of the township of North York, praying that an Act may pass ratifying and confirming an agreement betwe the Corporations of the townships of North York, Markham, Vaugha the village of Richmond Hill and the Toronto Transportation Commission, dated the 2nd day of January, 1950, for the operation of a motor bus service on Yonge Street from the northern limit of the village of Richmond Hill to the northern limit of the city of Toronto; and for other purposes.

Of John B. McCuaig, praying that an Act may pass incorporating the Improvement District of Ojibway Islands.

Of the Corporation of the Administration and Trust Company of the city of Montreal, praying that an Act may pass permitting it to be registered under the provisions of the Loan and Trust Corporations Act of Ontario for the purpose of carrying on business in Ontario as a Trust Company only.

Of the Executive Council of the Provincial Young Men's Christian Association of Ontario and Quebec, praying that an Act may pass changing its name to the Executive Committee of the National Council of Young Men's Christian Association of Canada.

Of Rev. John A. Van Buuren, Rev. Alphonse I. M. Van der Vorst and Rev. Joseph J. Coppens, praying that an Act may pass incorporating them as under the name of the Congregation of the Priests of the Sacred Heart.

Of the Corporation of the Hospital for Sick Children, praying that an Act may pass giving the Corporation power to increase the membership of the Board of Trustees and to increase the powers of the said Board in respect to certain matters of internal management.

Of the Corporation of the city of Toronto, praying that an Act may pass authorizing the said Corporation to pay medical and hospital expenses of the retired employees of the fire department arising out of injuries received during their employment, and for other purposes.

Of the Corporation of the city of Guelph, praying that an Act may pass authorizing the said Corporation to appoint a Board of Management for the Guelph Memorial Gardens.

All of which is respectfully submitted,

(Signed) Geo. W. Parry
Chairman.

MR. SPEAKER: Motions.

Introduction of Bills.

CONVEYANCING AND LAW OF PROPERTY

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move, seconded by Mr. Frost, that leave be given

to introduce a Bill intituled, "An Act to amend the Conveyanc and Law of Property Act", and that same be now read for the first time.

Motion agreed to; first reading of the Bill.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, what is the nature of this Bill?

MR. PORTER: Mr. Speaker, this amendment merely adds a section to the Conveyancing and Law of Property Act, under the heading of "Restrictive Covenants", and being a short section, I think I can read the actual wording of it:

"Every conveyance made after this section comes into force shall, and for this section would be annexed to run with the land, and which restricts the sale, ownership, occupation or use of land because of race or creed, of any persons, shall be void, and of no avail".

MR. A.A. MacLEOD (Bellwoods): But not retroactive, eh?

THE HIGH SCHOOLS ACT

HON. DANA PORTER (Minister of Education): Mr. Speaker, I beg to move, seconded by Mr. Frost, that leave be given to introduce a Bill intituled, "An Act to amend the High Schools Act," and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this Bill contains a number of minor amendments which have been considered necessary as a result of the administration of this Act over the last year, and I do not think it is necessary for me to go through all of them at the present stage.

SEPARATE SCHOOLS ACT

HON.DANA PORTER (Minister of Education): Mr. Speaker, I beg to move, seconded by Mr. Frost, that leave be given to introduce a Bill intituled, "An Act to amend the Separate Schools Act", and that same be now read for the first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this merely carries into the Separate Schools Act certain amendments similar to amendments to the High Schools Act, with respect to superannuation provisions applicable to officials and employees of Boards. The same amendment will be proposed to be introduced into the Public Schools Act, but in view of the fact that there will be other amendments which are not yet ready, I am not introducing the Public Schools Act this afternoon.

TEACHING PROFESSION ACT

HON. DANA PORTER (Minister of Education); Mr. Speaker, I beg to move, seconded by Mr. Frost, that leave be given to introduce a Bill intituled, "An Act to amend the Teaching Profession Act, 1944", and that same be now read the first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this amendment will provide that students in teachers' training institutions shall be associates members of the Ontario Teachers' Federation, and there is a further section which extends the power of the Board of Governors of the Federation to make regulations regarding voluntary members, and giving the Board power to make regulations with respect to associate members.

The reason for this, is, that in many cases there are students who are in teachers' training institutions who take

temporary positions as teachers, and it is considered advisable to give them the same protection which applies to fully certified teachers, as if they were members of the Ontario Teachers' Federation.

THE POWER COMMISSION ACT

HON. GEO. H. CHALLIES (Minister without Portfolio): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend the Power Commission Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. WM. DENNISON (St. David): Mr. Speaker, was notice given of this Bill?

MR. E. B. JOLLIFFE (Leader of the Opposition): Not that we can see.

MR. CHALLIES: I thought notice was given.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I may say that if any of the hon. members object, of course, the Bill will not be proceeded with.

MR. JOLLIFFE: Mr. Speaker, I do not think we have any objection, but you gave a very specific ruling about this, last week, and I presume the hon. Minister without Portfolio (Mr. Challies) heard it. We do not want to be difficult about it, but I just want to draw attention to the fact that the rule applies to the hon. Minister as well as to others.

MR. CHALLIES: I will be very glad to bring this forward again tomorrow.

MR. SPEAKER: May I concur in that. That was my ruling last week, and, of course, it must apply to hon. government Ministers as well as private hon. members. I was unaware that

notice had not been given.

THE LABOUR RELATIONS ACT, 1950

HON. CHARLES DALEY (Minister of Labour): Mr. Speaker, I beg to move, seconded by Mr. Goodfellow, that leave be given to introduce a Bill intituled, "The Labour Relations Act, 1950", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. EAMON PARK (Dovercourt): Mr. Speaker, I wonder if the hon. Minister(Mr. Daley) will tell us if this is going to the Labour Committee, or would the hon. Minister prefer to make an explanation now.

MR. DALEY: As a matter of fact, I was just waiting to be asked for an explanation.

MR. PARK: I am quite sure you were.

MR. DALEY: Mr. Speaker, I rather think there is one thing in connection with this Bill in which we are in complete agreement, and that is we should have a Bill.

MR. PARK: That is an improvement over a year ago.

MR. DALEY: Whether that is all we will finally agree upon or not, I do not know.

By and large, the provisions of the existing legislation are continued except that those provisions are now embodied in the statute rather than in the regulations.

The power of granting leave to prosecute (rested in the Labour Relations Board under P.C. 1003 and transferred to the Minister under the 1948 legislation) is restored to the Board.

The power of dealing with persons improperly dismissed for trade union activity (rested in a commissioner under

P.C. 4020 and transferred to the magistrates under the 1948 legislation) is restored to commissioners to be appointed by the Minister.

In connection with certification proceedings, a vote is compulsory if the membership of the union is between 45 per cent and 55 per cent.

Provisions for decertification are carefully spelled out so as to give a clearer picture of the circumstances in which a trade union may be decertified.

The provisions for arbitration of dispute during the lifetime of an agreement are widened somewhat.

Mr. Speaker, this Bill is based on the experience gained in the administration of the several labour codes which have been in effect from time to time in Ontario. The policy of the Bill is to encourage employers and employees to settle their own differences, government intervention being limited in the main to those situations where the parties reach an impasse. The Bill seeks to prevent industrial strife at the point where experience shows that strikes are most likely to occur. It makes a strike for union recognition unnecessary by substituting therefor the process of certification by the Ontario Labour Relations Board. Under this Bill, the conditions for obtaining certification have been changed so that a trade union will be able to obtain a representation vote by showing that it has a membership of not less than forty-five per cent of the employees in an appropriate bargaining unit, rather than over fifty per cent as heretofore. A representation vote is also required when the membership does not exceed fifty-five per cent. In the interests of industrial harmony, in order to gain bargaining rights, a trade union must obtain the support of a majority in the

bargaining unit. However, in a representation vote absentees are not treated as voting against the union.

The Bill outlaws company dominated unions and any collective agreement into which such unions enter is declared invalid.

Where a trade union is certified, it may serve notice on the employer of its desire to bargain with a view to making a collective agreement and thereupon the employer and the trade union are required to bargain in good faith and make every reasonable effort to make a collective agreement. Conciliation services are available to the parties to assist them in their efforts to make a collective agreement. The right of an employee to go on strike, and of an employer to declare a lock-out, in the absence of a collective agreement, is preserved, provided resort had first been had to certification and conciliation and seven days had elapsed from the submission of the report of the conciliation board.

During the life of a collective agreement, strikes and lock-outs are forbidden but any differences between the parties arising from the interpretation, application, administration or alleged violation of the agreement are to be arbitrated in accordance with the arbitration provision of the collective agreement. Under former labour codes, if a collective agreement lacked an arbitration clause, such a clause could be written in by the Ontario Labour Relations Board on the application of either party. To avoid the delay necessarily incidental to such an application, the Bill sets out an arbitration clause which automatically becomes part of every collective agreement which lacks an arbitration clause.

The Bill contains specific provisions with regard to collective agreements between a trade union and an employers' organization to ensure that the agreement will be binding upon employers who cease to be members of the employers' organization during the life of the agreement.

The Bill seeks to encourage employers and trade unions to enter into long term collective agreements, thus assuring a greater degree of stability in industry.

Provision is made for the termination of bargaining rights of a trade union in certain eventualities, but due regard is had for the difficulties which a trade union may encounter in bargaining with a recalcitrant employer.

The Bill defines and prohibits unfair practices which may interfere with freedom of organization and collective bargaining.

The Minister of Labour has power, upon the recommendation of a commissioner, to order the reinstatement of an employee discharged contrary to the Act, and it will no longer be necessary for an employee to institute a prosecution for an unfair labour practice as a condition precedent to obtaining compensation for an improper discharge.

The present practice of the Ontario Labour Relations Board of refusing to entertain any application from a trade union which is engaged in an unlawful strike is given statutory effect and the Board is also empowered, on the application of an interested party, to issue a declaration that a strike is unlawful. Similar provision is made with respect to lock-outs.

Penalties are provided for violation of any provision of the Act or of any decision, order, direction, declaration

or ruling under the Act. No prosecution may be instituted without the consent of the Ontario Labour Relations Board.

MR. PARK: Are you taking it to the Labour Committee?

MR. DALEY: We will decide that at a later date.

HON. GEO. H. DUNBAR (Minister of Municipal Affairs): Let us give it second reading now, when they are all satisfied.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I would like to follow up that question, because we have been denied the opportunity of having such Bills referred to the Labour Committee, for the last five years.

MR. E. B. JOLLIFFE (Leader of the Opposition): Just once.

MR. SALSBERG: Once in six years, but not in five. The Committee has not met once in five years.

MR. SPEAKER: Order.

MR. SALSBERG: I think this Bill should go to the Labour Committee.

MR. DALEY: You think that?

MR. SALSBERG: I do.

MR. DALEY: It is nice to know how you think.

MR. SPEAKER: Order.

I think it has been customary each year for us to have a photograph of the hon. members sitting in the House, and the photographer is available at this time, so if you will carry on with the cordial relationship which has been manifest this afternoon, we will have our photograph taken now.

MR. E. B. JOLLIFFE (Leader of the Opposition): How can we have a photograph in the absence of the hon. Minister who holds two very important portfolios, at the same time?

Oh, here he is now.

SOME hon. MEMBERS: Oh, Oh.

MOUNT HAMILTON BRANCH, CANADIAN LEGION AND SALVATION ARMY

MR. J. L. DOWLING (Hamilton, East): Mr. Speaker, in the absence of Mr. Thornberry (Hamilton, Centre) I beg to move, seconded by Mr. Easton, that leave be given to introduce a Bill intituled, "An Act respecting the Mount Hamilton Branch of the Canadian Legion and the Salvation Army", and that the same be now read a first time.

Motion agreed to; first reading of the Bill.

ADMINISTRATION AND TRUST COMPANY

MR. A. CHARTRAND (Ottawa, East): Mr. Speaker, I beg to move, seconded by Mr. Calder, that leave be given to introduce a Bill intituled, "An Act respecting the Administration and Trust Company, La Societe d'Administration et de Feducie" and that same be now read a first time.

Motion agreed to; first reading of the Bill.

ACT RESPECTING VILLAGE OF LONG BRANCH

MISS AGNES MACPHAIL (York, East): Mr. Speaker, in the absence of Mr. Millard (York, West) I beg to move, seconded by Mr. Jolliffe, that leave be given to introduce a Bill intituled, "An Act respecting the Village of Long Branch" and that same be now read a first time.

Motion agreed to; first reading of the Bill.

CITY OF WELLAND

MR. H. W. WALKER (Welland): Mr. Speaker, I beg to move, seconded by Mr. Baxter, that leave be given to introduce

a Bill intituled, "An Act respecting the City of Welland", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

CANADA CONFERENCE EVANGELICAL CHURCH

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, I beg to move, seconded by Mr. Oliver, that leave be given to introduce a Bill intituled, "An Act respecting the Canada Conference Evangelical Church", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

TOWN OF PARRY SOUND

MR. ALLISTER JOHNSTON (Parry Sound): Mr. Speaker, I beg to move, seconded by Mr. Morrow, that leave be given to introduce a Bill intituled, "An Act respecting the town of Parry Sound", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

IMPROVEMENT DISTRICT OF OJIBWAY ISLANDS

MR. CHARLES E. REA (St. Patrick): Mr. Speaker, I beg to move, seconded by Mr. Cathcart, , that leave be given to introduce a Bill intituled, "An Act to incorporate the Improvement District of Ojibway Islands", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. A.A. MacLEOD (Bellwoods): Mr. Speaker, may I ask whether this Bill has the approval of Chief Highwater of the Ojibway tribe?

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, anything that refers to the Ojibway nation has been referred to me, and is all right.

MR. JOLLIFFE: This is one upon which we should like to hear from the hon. member for St. Patrick.

CENTRAL CANADA EXHIBITION ASSOCIATION

MR. D. H. MORROW (Carleton): Mr. Speaker, I beg to move seconded by Mr. McDonald, that leave be given to introduce a Bill intituled, "An Act respecting the Central Canada Exhibition Association", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

(Take B follows)

TOWN OF PORT HOPE

MR. J. W. FOOTE (Durham): Mr. Speaker, I beg leave to move, seconded by Mr. Harvey (Nipissing) that leave be given to introduce a Bill intituled, "An Act respecting the town of Port Hope, and Trinity College School".

Motion agreed to; first reading of the Bill.

CITY OF HAMILTON

MR. J. L. ELSTON (Wentworth): Mr. Speaker, I beg to move, seconded by Mr. Dowling, that leave be given to introduce a Bill intituled, "An Act respecting the City of Hamilton" and that same be now read a first time.

Motion agreed to; first reading of the Bill.

CITY OF PORT ARTHUR

MR. F. O. ROBINSON (Port Arthur): Mr. Speaker, I beg to move, seconded by Mr. Harvey (Sault Ste. Marie) that leave be given to introduce a Bill intituled, "An Act respecting the City of Port Arthur", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

THE HOSPITAL FOR SICK CHILDREN

MR. CHARLES E. REA (St. Patrick): Mr. Speaker, I beg to move, seconded by Mr. Cathcart, that leave be given to introduce a Bill intituled, "An Act respecting the Hospital for Sick Children", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

OTTAWA YOUNG MEN'S CHRISTIAN ASSOCIATION

MR. D. H. MORROW (Carleton): Mr. Speaker, I beg to move, seconded by Mr. Rea, that leave be given to introduce a Bill intituled, "An Act respecting the Ottawa Young Men's

Christian Association", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

THE TOWNSHIP OF CORNWALL

MR. J. L. McDONALD (Stormont): Mr. Speaker, I beg to move, seconded by Mr. McPhee, that leave be given to introduce a Bill intituled, "An Act respecting the township of Cornwall", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

CITY OF GUELPH

MR. J. F. EDWARDS (Perth): Mr. Speaker, I beg to move, seconded by Mr. Foote, that leave be given to introduce a Bill intituled, "An Act respecting the city of Guelph", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

INCORPORATED SYNOD OF THE DIOCESE OF OTTAWA

MR. D. H. MORROW (Carleton): Mr. Speaker, I beg to move, seconded by Mr. Rea, that leave be given to introduce a Bill intituled, "An Act respecting the Incorporated Synod of the Diocese of Ottawa", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

TOWN OF RIVERSIDE

MR. W. MURDOCH (Essex, South): Mr. Speaker, I beg to ove, seconded by Mr. Patrick, that leave be given to introduce a Bill intituled, "An Act respecting the town of Riverside", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

TOWNSHIP OF SANDWICH WEST

MR. W. MURDOCH (Essex, South): Mr. Speaker, I beg to move, seconded by Mr. Harvey (Nipissing) that leave be given to introduce a Bill intituled, "An Act respecting the township of Sandwich West", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

TOWNSHIP OF NORTH YORK

MR. A. A. MACKENZIE (York, North): Mr. Speaker, I beg to move, seconded by Mr. Allen, that leave be given to introduce a Bill intituled, "An Act respecting the township of North York," and that same be now read the first time.

Motion agreed to; first reading of the Bill.

BORDER CITIES YOUNG MEN'S AND YOUNG WOMEN'S CHRISTIAN ASSOCIATIONS

MR. W. MURDOCH (Essex, South): Mr. Speaker, I beg to move, seconded by Mr. Fryde, that leave be given to introduce a Bill intituled, "An Act respecting the BordernCities Young Men's and Young Women's Christian Asssociations" and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Order No. 2.

CLERK OF THE HOUSE: Second Order, resuming the adjourned debate on the amendment to the motion for an address in reply to the speech of the honourable, the Lieutenant Governor at the opening of the Session, Mr. Frost.

MR. FARQUHAR R. OLIVER (Grey, South): Mr. Speaker, in rising to make some remarks on this particular topic, I want first of all to congratulate the mover and seconder

of the address. While we were all making speeches on opening day whether leaders directed their remarks to congratulating the new members. In some way that particular duty slipped my mind at that time. I imagine that it had something to do with the added splendour of the occasion, and I was rather nervous on that occasion. So I hasten at this time to make amends as best I can. I say to the Hon. member for Leeds (Mr. Reynolds) and the hon. member for Cochrane North (Mr. Leger) that in their speeches they delivered to the House they did a good job for themselves and I congratulate them. While it is true I did not help in any way to bring them into this Chamber, once having made the hurdles that lie between nomination and actual membership in this House, I am sure that none of us worded it so well as they in their contributions to the address. I hope that these two members will not feel that, having made this one speech on a particular topic, they will be any way coerced from contributing to successive speeches on topics in the Legislature, and I hope that each one of them will take it upon themselves to give all of us the benefit of their knowledge and experience from time to time.

In my remarks this afternoon, I want to have particular attention paid to what I consider a rather important problem in regard to provincial administration, and in order to get a proper basis on which to base my argument, I want to go back to what the hon. Prime Minister (Mr. Frost said last Thursday when he made an address to this Legislature. I was reminded at the time that the hon. Prime Minister (Mr. Frost) spoke, with a continued smile on his face, I was reminded of another gentleman rather well known in Canadian public life.

AN hon. MEMBER: Hear, hear.

MR. OLIVER: This hon. gentleman was also making a

speech and it was followed up in MacLean's magazine. The burden of this other gentleman's remarks was this: there was no Santa Claus. He suggested to his listeners that there was no Santa Claus in this day and age, and that Santa Claus was a legend and a myth and should be exposed as such. Well, now, the hon. Prime Minister (Mr. Frost), in speaking last Thursday in the House,----and all the other hon. members here were present and heard him---should have revised his remarks made on another occasion, because the hon. Prime Minister (Mr. Frost), who spoke as well as Provincial Treasurer, had all the appearances of Santa Claus except the white whiskers and the red garment. He said to this House and to the people of our great province, of which we are all so pleased to be a part, that the government is giving us more education, more highways, more hospitals, than any other government had ever done before.

I was wondering as the hon. Prime Minister (Mr. Frost) spoke if he was explaining to a class of people of very kindly nature and of an unlimited capacity to go without food.

What has been done twoards lightening the load on the taxpayers of Ontario? I want to make it clear that this government is the greatest taxing government this province has ever had. No government, since this province became a province, has taxed so heavily, and without sense, as the present administration; not only taking over the base of taxation from a former government, but increasing the taxation on that base, and also introduced new taxation, and hand in hand with good times, this government has collected from the people many times what we would have considered unusual taxation a few years ago. If this government is giving us more education,

and better highways and better provincial services, it is also giving us more costs and it is taxing us more heavily. They are cardinal matters which should be mentioned in any discussion or analysis when our services are being mentioned, and their nature and extent and stability. To go further along the same line, this government has indeed surpassed previous governments, and gone too far.

Then they give a portion of the money they collected from you and I back to the municipalities in the form of gratuities. I do not know that the grant system started in this province. I know in my own mind that we have gone the limit in regard to grants, that the time is at hand for a revision of the whole system of grants whether by the municipalities or not, and their relation of expenditures upon the municipalities.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: The hon. Provincial Treasurer (Mr. Frost) gives them to the various services. But these grants are given to the municipalities and to the school boards on a continuous basis. They are given to the municipalities and to the school boards if they agree to follow the rules of the game, if they agree to fall within the set of conditions as laid down by the present administration. If they do not agree -- no grants. I suggest to you, and through you to the House, that we should have a complete revision of this whole system of taxation and of grants and duties.

The one thing that bothers me, and I imagine bothers the government, is that when these grants are given to a municipality or a school board, they are given for the purpose of decreasing taxation on the lower level, and on the individual. Not withstanding the results, instead of decreasing taxation

on the lower level and on individuals, they have increased taxation in spite of these grants. One does not need to go further than school taxation for that statement. Everyone in this province recalls the hon. Prime Minister (Mr. Frost) stating that he would cut the school tax in half. Having listened to his glittering remarks, they elected him, and he proceeded to cut the school tax of the average taxpayer in half. But the result does not live up to the promises. We find now, and the Prime Minister knoew, and the Minister of Education knows, that in spite of the recommended increased grants on the part of this province, to the school boards, the taxation on the lower level is two and three times greater than when the grants were brought in.

The estimated grants we have in this province, and I suppose in other provinces, lead, not to a decrease in taxation, but unavoidably to an increase. I suggest that this whole field should be gone into and gone over with a fine-tooth comb, and we could arrive at a position in which there is some sanity and reasonableness in regard to the whole matter. I noticed in an editorial of the Toronto Telegram:

> "But notwithstanding the substantial aid the government now provides, the fact remains that grants have not kept pace with increasing costs.
>
> It is not merely a matter of increasing grants. the problem involves questions of municipal responsibilities and sources of revenue. And this the government has been petitioned to review."

And last week, in the Farmers' Advocate there is this editorial: "Ouch--those taxes hurt" and the quote continues:

"Now farmers are beginning to study their tax notices and the school tax arrests their attention,too. In some cases it has doubled. At the same time, farm income is surely shrinking and will likely be even less in 1950. We are on the threshold of a period of re-adjustment.

"All municipal taxes have risen. Increases have been inevitable. We must have goods roads and good schools. That is sound business practice -- to relate expenditures to income; and that should be carefully done now when there are unmistakeable signs that the party is over."

I think that these editorials strike right at the roots. And then there is another angle. We are very anxious to give lip service to the Canadian people.

(Take C follows)

While we are paying lip service to that particular thought, we are in the meantime with both hands taking away the autonomy of the local unit, the local governing unit in this province. We are making them hewers of wood and drawers of water for a provincial administration, we are putting them in the category of simply being administrative agencies of a higher level of government.

These men and women who make up that broad level of government below the provincial level have greater ambition and they have greater talent than simply to be a collecting agency for a higher level of government, and the day has come in this province when we must give back to those people, who have proven that they can govern well, something with which to govern. We must give them back some initiative, we must give them back the right to create, the right to think, the right to live out their own problems in their own particular communities, and we are getting a long way away from that situation in the province.

We have my hon. friend, the Minister of Highways (Mr. Doucett)—and he will agree with me --he has over in the other building a battery of talented men who, with microscopes between them and the paper, go over the items sent in from the various municipalities for road expenditures, and they have got to approve of every last cent. If they buy an extra scraper or extra shovel, it has all got to be there, and it has all got to be approved by the Department of Highways, or else the grant is not forthcoming.

I am not blaming the hon. Minister (Mr. Doucett), he did not start this system, but there is something there that is very deep and very fundamental, and something which we

must check if we want to be sure that we are on the right track in urging reform in government in the province of Ontario.

And the same is true in regard to my hon. friend, the Minister of Municipal Affairs (Mr. Dunbar). His shadow grows not less --

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: -- over the municipalities of this province. He asks them to do an increasing number of things each year, and it is not only the big things that he asks them to do, he gets right down into the small details. If I may take the House into my confidence, I want to say to you, Mr. Speaker, that when I was home last weekend, I got a receipt for an expenditure of mine from the Township of Artenesia, for the great sum of $3.00. I object to that bill, and this is the receipt, I believe it is an authentic receipt, I think it will stand up in any court of law in this province. I do not think I will have to pay the bill again because across the top it says: "This form has been approved by the Department of Municipal Affairs".

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: Now, surely, Mr. Speaker, we are going a long way when we say to the Township of Artenesia: "You had better get forms that are approved by the Department before you send out your receipts for expenditures even for $3.00".

I suggest to you, Mr. Speaker, that not only prevails in the Departments I have mentioned, it runs the whole gamut of the provincial administration. The Department is taking

an increasing direction over the municipalities of the Province of Ontario.

I want to come to this point, and I want to leave it with the House, in the hope that we will do some very serious thinking about this matter, because I say to this House that home-owners and property-owners in this province will not very long be able to pay the increasing school taxes and social service taxes they have heaped upon them by this administration.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: They cannot pay them and remain solvent. The time to correct that situation is before it is right on our doorstep, while we still have time, and I say to this House and the Government, that they should call a conference at the earliest possible moment between this level of government and the one lower down, the municipal level. My hon. friend (Mr. Frost) is going to Ottawa this fall for a Dominion-Provincial Conference. It may well be that at that conference there will be certain lines of activity set apart for the Province and certain lines set apart for the Dominion of Canada. The fieldds of taxation and endeavour will be allocated between those two levels of government.

And that is as it should be. I think we should do all that we can to clarify that situation so that we can move into the future with the knowledge clear in our minds that this is our field and that is their field, and just as it is true in regard to the Dominion and the Province, it is equally true in regard to the Province and the municipality. I suggest to the Government that at this

conference they be prepared to say to the municipality: "We are out to give you a new deal".

Before I say that, let me remind the House that last year we passed amendments to The Police Act and we passed amendments to The Fire Act. These amendments, for the first time, gave grants to the municipalities for those services. For the first time, the Province went into these fields. I suggest to the House that after two years' operation under those grants, you will find that the Fire Departments and the Police Departments of municipalities will be paying more in local taxes than they were before the grant was instituted.

And last year, as well, we went into the granting to houses of refuge, to Children's Aid Societies, I think there is very little that we have not made a grant to, so let us have a conference and let the provincial government say to the municipalities: "We believe that this thing has gone too far, and the time for straightening is at hand". I would say to the Government and to this House: "Let the Province of Ontario take some of the recognized fields as their own particular fields". Let them take the Department of Highways, let them take the Department of Education, and let them run them and pay for them for the Province of Ontario, and give the rest back to the municipalities in order that they may have an answer to their vision of doing something on their own particular level.

I suggest to you, Mr. Speaker, and to this House, that the principle of extending these grants from the provincial level to the municipal level on every earthly undertaking is a mistake of great magnitude, and the sooner we retreat from that

position and draw a clean, clear, unmistakable line of demarcation between provincial and municipal fields, the sooner we will in this Province be on a proper basis so far as government between these two levels is concerned.

I speak on this problem, Mr. Speaker, with some degree of irritation, because I feel that we have got to make a move in the directions that I have outlined, and I ask each of the groups in the House to give particular attention to the matters that I have discussed.

They are, in brief, that these grants from the Province to the municipalities incur added expenditure on the part of the municipality and the municipal level, and they have progressively, over the years, taken the autonomy and self-determination away from the municipal local government. Either we give some of these things back to the councils of the towns and the villages and the cities, or else we say: "You might as well do away with your township councils, your municipal councils, your county councils, because they serve no useful purpose today."--- unless as I said as a collection agency for a higher level of Government.

I want to leave that point for a moment and go into another discussed rather extensively by both the Hon. Prime Minister (Mr. Frost) and the hon. Leader of the Opposition (Mr. Jolliffe), and which has to do with farm conditions. I doubt if I would have spoken of this matter today, Mr. Speaker, except that I cannot let either the hon. Prime Minister (Mr. Frost) nor the hon. Leader of the Opposition (Mr. Jolliffe) get away with the idea that we have not anything to say in regard to the problems of the farmer of Ontario.

I think the House will recall that for a number of years I have said on the floor of this Legislature in a short time we would lose the British market. Look up the record of my remarks in this Chamber, and you will find that as long ago as three years, I said to the House they were on the verge of losing the British market for agricultural products, so that I was not surprised when the markets were actually lost to a great extent to Canadian farmers this last few months. But the fact that Britain is taking less cheese and bacon and eggs than she formerly did leaves the Ontario and Canadian farmer in a very difficult position. I do not think the federal government is to blame --

AN hon. MEMBER: No?

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: Well, I think we could argue that out at some length , but I think the hon. Prime Minister (Mr. Frost) very well said that economic factors beyond the orbit of this country had a great part in developing this situation, and I think he is right in that. The difficulty of converting sterling into dollars and vice versa is a grave international problem, and may I suggest to this House, Mr. Speaker, that it has very grave implications for the producers of the Province of Ontario and the Dominion of Canada.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: I am of the opinion, and I hope it is not soundly held, that we are in danger in this country of being squeezed between two good friends, squeezed on the one hand between the dollar area and on the other, by the

sterling area, and that we are not going to like it too well. I do not know how we can avoid it very well, but I think we might as well be prepared; perhaps we have not seen the fullest extent or felt the full weight of this problem as yet.

I do not think we are going to blame England for not buying these products from us. After all, being a relative in business does not help you very much. The fact you are related to some country, and by very hard, very good bonds, does not help you in the business world. You have got to put up the product, and you have got to sell it at a price that they can buy, and the difficulty with England has been that she is buying from us twice as much as she is selling to us, and no economy can stand that for very long, and she has taken measures to correct it, and justifiably so.

However, that leaves the Ontario and the Canadian farmer in the position that we are not going to be able to ship as many as these basic products overseas as we did before. I do not think anyone in this House is in a position to know how long the situation will last. It may be that in the course of the next year or two, the currency situation in England will so far rectified itself that she can again purchase products from this Province and this country. Let us hope so. But if that situation does not correct itself in a year or so, then the Canadian farmer is up against two particular problems, either he finds new markets in other parts of the world, or he regulates production in this Province and this country to suit the needs of the Canadian consumer.

I would far rather have the former than the latter. I do not think you can build in this country an economy that is self-sufficient and self-sufficient only. I believe in trading, I believe in fostering and improving the channels of trade with all countries of the world, and I think Canada's greatness has been built upon her ability to do that, and her regeneration in this particular problem will come about as her ability evolves to do that again.

I do not think I would agree for a moment to a policy which says: "We will just produce in Canada enough for Canadians to eat". That is surely a short-sighted policy. It may be in the end the one we will have to adopt, but I would not like to adopt it, because, as we all know, there are millions of people in this world who do not get enough to eat, and surely we on the North American continent who can produce these things in abundance have an obligation in some way to get through this snarl in currency and get our goods to those people who need them.

In this Province we can do very little about it, I agree with the hon. Prime Minister (Mr. Frost), and it is beyond my comprehension that somewhere on an international level there are not brains enough to evolve a system that will take from those who have in abundance and distribute in an economic way to those who have not. Surely we will see the day when we can do that.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: It is because of my hope that such a system will be evolved, that I do not like to give support to any idea of growing in Canada just those things we need for Canadians.

I want now to say a word on this problem, in concluding it, that the provincial government as well as the federal government can do something to help the farmer in his present situation. I think we all agree on this,, I think it is rather fundamental now, I think it is grasped by every thinking person, that there is not a better barometer of economic stability or lack of it in this country than the condition of the farming industry. If the farming industry is prosperous, so it is prosperous in every line of endeavour and activity, and one of the first signs of a depression, or a recession, will be that lack of stability in the farming industry. And that is why the farmers generally at this time are so anxious to plug the holes in our economic order to the degree that they can maintain in this country a stability of farm prices, because they know, with the rest of us, that if we can maintain the stability of the farm prices, we can at one and the same time maintain the level of industrial wages in this province and in this country.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: You cannot dissociate the two, they are bound together not only by tradition but by practice of many, many years' standing, and so the farmers, in urging that stability be given to their industry, are not pursuing a selfish course, they are pursuing a course that they know, if it is stabilized, will bring stability to the whole economic order. And if the price of agricultural products falls still further, then wages will start to fall and then we are in the cycle and down we go and nobody know how far. And so it is up to the Dominion government and up to the

provincial government to do whatever they can, whatever lies within their power at this time, to stabilize the farming industry so that we can maintain our economic order on its present basis and its present velocity.

I say this to the Ontario Government, as I said last year, that I think they made a very serious mistake when they cut the subsidies off hogs and off cheese when they did. Coming home from a successful election, one Cabinet Minister said to the other: "Now is the time to do it", and they did it.

Mr. Speaker, "now" was not the time to do it; it was the most unfortunate time that they could have chosen, out of all the times that there are, to do it, because in that period, when they cut the subsidies off hogs and off cheese, that was the time when the thinking person knew that we were entering at least a little bit of a crisis in regard to agricultural products, and if the bonus was on hogs and on cheese today, they would have gone a long ways towards doing two things, towards stabilizing the bacon industry on the one hand, and on the other hand, of improving the relationship between the farmer and this Government. Because, after all, the farmers of Ontario are not holding any one particular government to blame, they are asking all governments to give them actual assistance in this time of crisis, and they feel, with justification, that this Government has let them down. In the field which they could operate, they have refused to do anything for the farmers of the Province. They cut the subsidy off hogs, they cut the subsidy off cheese, and they leave the farmer in the darkest

hour that he has had for six or seven years, to wend his own way and to find his own solution for that particular problem.

Then, I would say as well, Mr. Speaker, that this Government has a tremendous responsibility it has not lived up to in this regard. I think that science and research as applied to the problems of agriculture have lagged behind to the place where they are almost non-existent today, and we have got to have an acceleration of science and research as applied to the problems of agriculture so that the farmer in Ontario can grow his products more cheaply in order that he can compete more successfully with outside countries. I think the Government has fallen down in that regard as well. I think their whole marketing legislation is antiquated and out of date. I think we should have in this Province a marketing division that lives up to its name, and that really is a marketing division. I think, also, in fact I know, that on one particular thing at least this Government should go a step further: the bacon industry, as I have said, is in a crisis. We have in Ontario a Hog Producers' Association that is doing pretty good work. They came to this Government some years ago, and they got legislation whichallowed them to deduct two cents per hog for organizational purposes, and the hon. Minister of Agriculture (Mr. Kennedy) at that time made the statement to these men: "When you need more than two cents a hog, come back to me, and I will give you more". They have been back to him many, many times, and in this time of difficulty for them, the hon. Minister (Mr. Kennedy) refused to move from the two cents a hog, when he and everyone else

knows that small assessment is too low to finance a successful marketing organization on the part of the hog producers. I would that this Government would raise that from two to five cents at once, so that the Producers' Association could do something of a worthwhile character in defence of their own industry.

It seems to me that as a government there are some things that you could do on your own level of government to help the farmers in their present situation. We have got to have, on the farms, lower production costs. I think we have got to produce products cheaper in order successfully to compete in world markets. For us to do that as farmers, we require the maximum help in regard to research and to scientific data, and we are not getting them from the present Government, and this is the fountainhead from which that help should come.

And so I appeal to the Government this afternoon to be aware of their responsibilities in this regard, and to rise up and meet the challenge that is theirs today, to do a job within their own particular realm for the farmers in this Province of Ontario.

I want to touch upon another subject for a very few minutes, Mr. Speaker, and that has to do with Dominion-Provincial relations. This will be a nicer subject, we talk about that in a very much improved atmosphere at the present time. It is not so difficult to talk with this Government about Dominion-Provincial relations as it was the Government we had here a few years ago. Mr. Drew, when he was leading the Government would have no truck or trade with the federal administration. He put up the wildest

excuses, and it would almost scare you to death the things he said would happen to this Province if they ever stepped on the same mat with the federal administration, and he led this party across here a long way down --

HON. G. H. DUNBAR (Minister of Municipal Affairs): A long way up.

MR. OLIVER: Do not let us get going this afternoon, we are getting along so far. My hon. friend who now sits in Ottawa as the leader of the opposition (Mr. Drew) led this Government a long way down the path to isolationism. And you fellows across there pounded the desks, that was the right thing to do. Now we have a Prime Minister who takes an almost directly opposite point of view. He is for co-operation.

MR. W. DENNISON (St. David): And they still pound the desks.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: And they still, across the way, pound the desks. Such, my friends, is the flexibility of politics as we know them in this Province, and I would say to my hon. friends across the way that you are as right now as you were wrong before.

SOME hon. MEMBERS: Hear, hear.

AN hon. MEMBER: So are you.

MR. OLIVER: I want to say to the hon. Prime Minister (Mr. Frost) that we on this side of the House believe you mean what you say when you say you want to co-operate with the federal government to get outstanding questions settled in the interests of the whole Dominion of Canada. We believe you when you say that.

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: Up until the present time -- that was not supposed to be attached to the other sentence --

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: Up to the present time, my hon. friend (Mr.Frost) has been in Ottawa on something in the nature of a preliminary session, and the reports coming out of there have been very much in his favour. He goes to Ottawa again this fall, and great questions will be on the agenda, and the timing of the solution of these questions is very important. If our unemployment grows, if we are going into a period of depression or recession -- I do not know whether we are or not, and I hope we are not -- but if we are, it is so vitally important, it seems to me, that these great issues should be settled now, before the crisis is upon us.

It seems to me that if my hon. friend (Mr. Frost) can agree on the part of this Province with the Dominion government on certain fundamental questions, that we will be going a long way towards licking any depression that might appear on the horizon, but if we go into a depression the way we went into those in the past, not knowing what our responsibilities were andnot caring to assume them even if we knew what they were, if there was always a conflict between provincial jurisdiction and federal jurisdiction, with the inevitable result that nothing is done, then, we will not conquer a depression nor will we raise ourselves in the estimation of people generally.

And so I say to the Government, if these cobwebs can be swept away, and if we can see with a clear vision what is our responsibility not only as people of Ontario but as Canadians, we will have rendered a great service for this

Province and this Dominion.

I am one of those who feel that Ontario's greatness will be increased by this way and in the manner in which she works for the other provinces of Canada to build a greater united Canada from coast to coast. There lies our greatest strength, in a strong Canada, we too are strong, and the stronger she is, the stronger we become. I know, when I say to the hon. Prime Minister (Mr. Frost) that we do not expect him to "sell Ontario short" at Ottawa this fall, that he will not, but what we expect him to do is meet in a spirit of co-operation and a spirit of give and take, a spirit of trying to understand the other fellow's point of view as well as putting forward yours,

(Take D-1 follows)

andif you do that, you arise in this province to greater stature than even you acquired at the moment, and I know you are pretty well satisfied with your stature at the moment.

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: I want to say, Mr. Speaker, just one word arising out of a remark by the hon. member for Riverdale (Mr. Wismer) last night. I just did not like the implication that seemed to be in his remarks. He suggested, when we were discusing the Housing Bill, that he was glad that "Tory Frost and Liberal Winters had got together, and that is the way he knew it was going to be for a long time back." I do not think that is the spirit in which to enter these all-important discussions. I think we here feel, no matter on which side of the House we sit, that there are questions to be decided this Fall in Ottawa which rise above men and rise above political parties,--

SOME hon. MEMBERS: Hear, hear.

MR. OLIVER: --and have, as their goal, the unifying of Canada, the strengthening of the fabric that is Canada.

It seems to me we do not want, in any way, to play politics with questions of such magnitude, and with that thought in mind, I say to the hon. member (Mr. Wismer) that I do not think there is any danger of the Rt. Hon. Mr. St. Laurent swallowing the hon. Mr. Frost or the hon. Mr. Frost taking Rt. Hon. Mr. St. Laurant at one gulp. Personally, I hold a very opposite view to that. I think they will be able to consult withone another, and maintain their identities. And I hope they will, for the good of Canada, and the good of this province as well. There are, of course, implications to those remarks I do not care to enlarge upon at the moment.

I want the hon. member, the Minister for something or other--

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: --to have time to speak to the House tonight, but I do want to discuss one or two more things, and one of these has particularly to do with the hopelessness of the Hope Report.

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: I cannot sit down without saying just a few words about that. I think thehon. members opposte would not like it if I did. There are times, we are told, when "patience ceases to be a virtue." I imagine we have just about reached that position in regard to the Hope Commission. There is no hope in the Hope Commission. It is wrongly named at the moment.

This child is now five years old. It should be in kindergarten--

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: --but it has not been certified for enrolment, and so we cannot start the child to school. Either we get the child into kindergarten, or we should get the Commission members some form of superannuation. We cannot really do justice to ourselves, unless we consider these important angles.

Now, Mr. Speaker, the Speech from the Throne mentioned this Hope Report and it said we would have before us at this Session something that fell out of the Hope Report.

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER : That we would have a detached fragment, if you will, from this Report, and the Speech from the Throne suggested we give it our very earnest and serious study. Now, knowing the words of His honour the Lieutenant-Governor were meant for all of us, I did give this particular interim report some study. But the amazing thing to me is there is an interim report of any kind. If my friend, the hon. Minister (Mr. Porter) will recall, last year when we were discussing this matter, in a timid way I suggested to him "If we cannot have the whole thing, perhaps we could have part of it," and the hon. Minister (Mr. Porter) threw up his hands

in holy horror, and said: "That will not serve any purpose at all."

Well, Mr. Speaker, in the meantime he has had this change of heart, and we get this little thing called "an interim report."

I have studied it, and I find the most startling information contained within the pages of that interim report. It tells the people of this province, in no unmistakable words, in words so bold that he who runs may read, that we are short of school teachers.

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: I read on, after getting to that amazing chapter, and I found they were recommending that we should lower the standard, in order to get more teachers. As far as I could tell, Mr. Speaker, that was the sum and substance of the interim report. They might just as well have kept that attached to the original as given it to us, for all the use it is.

I am sometimes of the opinion that we are not going to see this report at all. I was hopeful, until the hon. Minister (Mr. Porter) journeyed down to St. Thomas in November of last year. Mind you, before that we had "fiddled around" with the grants, and even today, by the new revision, I am not sure the hon. Minister (Mr. Porter) knows where he is at. I noticed in the Globe & Mail last Saturday it says "With these changes"---that is, the new system of grants---"the government hopes to relieve many hard-pressed muhicipalities, such as Mimico and Scarboro."

From the best information I can secure, Mimico, one of the most hard-pressed of them all, finds they will be $10,000 worse off under this new revision, than they were under the old. I would suggest to the hon. Minister (Mr. Porter) if this was intended to help Mimico, it is helpfulness in reverse, and you really cannot help them by giving them $10,000 less. Perhaps before the Session isover, we will have another crack at this

grant system and will revise it again.

I was going to say that we have revised the grants a dozen times, and the Commission could not tell us very much about that; we have built new schools, and we have the pattern all set up, and they could not tell us anything about the construction of those. There was only one thing left to tell, that we should revise the teaching curriculum, and my hon. friend the Minister of Education (Mr. Porter) said "I will knock that last prop out from under them; I will make it unnecessary for them to report at all," and so he goes down to St. Thomas, and the headlines the next morning portray the news that the hon. Minister of Education (Mr. Porter) of this province had given the people a glimpse into this interim report, and some information in regard to the radical revision in teaching.

MR. WILLIAM DENNISON (St. David): Radicalism?

MR. OLIVER: Yes. Of course "radicalism" to a Tory, is a very mild situation. But, Mr. Speaker, I understand the hon. Minister (Mr. Porter) went down to St. Thomas as a "lone wolf" and I do not believe he even told Mr. Justice Hope that he was going to "knock the props out from under him," and I think the intimation goes further and suggests that even the hon. Prime Minister (Mr. Frost) did not know he was going to say these very radical things about the teaching curriculi.

MR. FROST: Oh yes, he did.

MR. OLIVER: You did Know? "That is not the way I heerd it."

MR. FROST: Do you not think the hon. Minister (Mr. Porter) made a good speech?

MR. OLIVER: Oh yes.

MR. FROST: You will not dispute that, will you?

MR. OLIVER: But by making that speech, the hon. Minister (Mr. Porter) removed the last excuse that the Hope Commission would have to make a report to this Legislature.

There is nothing left. The hon. Minister (Mr. Porter) might just as well wash the thing out of his hair, and get down to something fundamental and worthwhile.

SOME hon. MEMBERS: Oh, oh.

MR. OLIVER: Admit that you made a mistake and that it was just a political red herring; admit these things frankly, and it will be better for your consciences, and let us get on with the job of building an educational system in this province of which we can be proud.

MISS AGNES MACPHAIL (York, East): Stay with the same system for a couple of years.

MR. FROST: Do you not think we are doing pretty well?

MR. OLIVER: I would not even go that far. Mr. Speaker, I have one or two items upon which I would like to speak, but I want to hear the hon. member for Bellwoods (Mr. MacLeod), and so do all the rest of us, and I will taper this off by saying to the House that I move, seconded by Mr. Nixon:

> "That the amendment before the House be amended by adding thereto the following:
>
> > 'And this House further regrets that no intimation was given in the Speech from the Throne that a Provincial-Municipal Conference would be called before the convening of the Dominion-Provincial Conference.'"

SOME hon. MEMBERS: Hear, hear.

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, may I begin what I have to say by tendering my felicitations to you on the occasion of the first anniversary of your elevation to the Speaker's chair. I think it is the unanimous view of the hon. members of this Assembly that you have filled the office with great dignity, certainly with complete impartiality, and fairness

to all, and, I, therefore, wish you the best of health and the early restoration of your voice, so that you can give the loudspeaker to the clerk assistant, and make it possible for us to hear the petitions which come before the House every day. We are completely in the dark as to what we are being petitioned about. I think if you could dispense with the loudspeaker, and bring it down here, we would be much better informed.

Now, Mr. Speaker, since I was not in the House on opening day, may I take this opportunity to congratulate the hon. Prime Minister (Mr. Frost) on his elevation, which I predicted from this place a year ago, only to be met with the words, "You do not know what you are talking about." I would have expected the hon. Prime Minister (Mr. Frost) would have acknowledged the fact that I did throw all my influence into the fight, to put him where he is, and with a little help from the hon. Minister of Highways and Public Works (Mr. Doucett) we made it.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: The hon. Minister of Public Works (Mr. Doucett) and the hon. Minister of Highways (Mr. Doucett) was not quite so successful in attempting the coup d'etat at the Tory Association meeting a few months ago, when he tried to unharness the Family Compact of McKenzie and Gardiner. It was, perhaps, what "Jimmie" Durante would call "mutiny without the bounty."

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: But there he is, with blood in his eye, and I know he will not be satisfied until he is the complete master of the situation onthat side of the House. He is the mentor of ChiefHighwater, and when it comes his turn, I have no doubt he will want to be called "Chief Higher than Water."

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: Now, Mr. Speaker, the old slogan, under the

old dispensation was "Keep Ontario Strong." Under the new dispensation, the slogan is to be "Keep Ontario Flexible," and once again I can see the signboards at the next election with the words "Keep Flexible with Frost."

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: And you know that "flexible Frost" rhymes with "Fearless Fosdick."

However, Mr. Speaker, I think that all the hon. members of this House are very happy that the hon. Prime Minister (Mr. Frost) made the grade, and we all alike appreciate the act of self-abnegation on the part of the hon. Minister of Highways (Mr. Doucett) who stood aside in order to make that elevation possible. I think we look upon the hon. Minister of Highways (Mr. Doucett) now as sort of coadjutor bishop, with the right of succession.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: He has moved in from the wings to the centre, and he undoubtedly will be permitted to score a few goals, as well as receiving a number of assists, as time goes on.

Now, of course, the present hon. Prime Minister (Mr. Frost) has disadvantages. His place is not what it used to be ---

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: No tension is here any more. The hon. Prime Minister (Mr. Frost) is as soapy as Aunty Lucy of the soapy Sunlight Hour, and he has that "Dear Hearts and Gentle People" way about him.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: He has the "Whosoever will may come" look in his eye, but when the circumstances call for it, he can drop the mask, and he dropped it yesterday afternoon.

Here is the man who for the last five years has been complaining about being "pushed about by the centralizers," but

yesterday afternoon the hon. Prime Minister (Mr. Frost) proved he can wield the political pistol as well as the next fellow, and that is exactly whathe did. He told the municipalities of this area to "get going, and get going fast---or else."

Now, who would have thought that the kindly Presbyterian elder from Victoria County would ever use the kind of language he used inthis House yesterday afternoon? But he used it, and we have seen now the Mr. Hyde side of his character. I have no doubt that the people of this greater Toronto area will react to that ultimatum, and will make it abundantly clear to the hon. Prime Minister (Mr. Frost) and to this government, that they have no intention of being "pushed around" at all. I think there will be rather general agreement that there is basis for discussion on some closer ties, some more effective form of cooperation between Toronto and its neighboring municipalities, which is quite a different matter from the "shotgun marriage" which the hon. Prime Minister (Mr. Frost) proposed yesterday afternoon.

Mr. Speaker, I would like---not just in passing---to compliment the two hon. members who made the Ministerial grade since we met last year. First of all, the hon. Minister of Reform Institutions (Mr. Hamilton) who began, in a very modest position down in this block, but has now moved up to within striking distance of mediocrity row.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: I predict for him that the journey is not over, and in the very near future he will leave the prison bars for the cashier's box, and that he will have in this year and next the privilege of announcing the surpluses or deficits to this House. May I say to the hon. Minister (Mr. Hamilton) that he is beginning to acuiqre that "tweedy" appearance which one associates with successful men. He is beginning to look the part, beginning

to look more like the hon. Provincial Treasurer (Mr. Frost) every day, with that expansive manner.

Then, of course, there is my good friend the hon. Minister of Mines (Mr. Gemmell) from Sudbury, who inched out the hon. member for Kenora (Mr. White) who had great expectations last year, and it looked touch-and-go, but the man who had International Nickel on his side made it.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: But there he sits, and we wish him good fortune, and we will dothe best he can to see that he loses the next election.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: Now, Mr. Speaker, there is the hon. member who sits in the back row (Mr. Foote), who made a name for himself as being the driest man in the House, now presiding over the Department of Flood Control.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: I refer to the hon. member for Durham (Mr. Foote). Who would have thought last year that he would be wading into that den of iniquity. However, he has evidently decided to wade in, and not live in. He is not quite a full-fledged Minister yet, but he is on his way, and he is standing on both feet this year.

SOME hon. MEMBERS: Hear, hear.

MR. MacLEOD: Now, Mr. Speaker, things are also happening on this side of the House which should not pass unnoticed. I am sure that all thehon. members of this House who , like myself, listened to the hon. leader of the opposition once-removed (Mr. Oliver) this afternoon asked himself and herself the question, "Why on earth would the Liberals in the province of Ontario want to get rid of a man like that?"

SOME hon. MEMBERS: Hear, hear.

MISS MACPHAIL: Do they?

MR. MacLEOD: At least Rt. Hon. Mr. Howe wanted to.

MR. OLIVER: That is simply your imagination.

MR. MacLEOD: I do not know. Here is a man who uses words powerfully, and who can add great weight to his words--

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: --he speaks with great vigor, a man of the soil, and I would have thought he was just the man to lead the Liberal Party in Ontario. But apparently the hierarchy at Ottawa did not see it that way--

MR. OLIVER: Mr. Speaker, my friend cannot say that and "get away with it." He has no evidence to support such a statement, that he now makes. There is not an atom of truth in what he says at all.

MR. MacLEOD: I had not thought these remarks would bring the hon. member (Mr. Oliver) to his feet. All I know is what I read in the papers.

MR. OLIVER: You should read all of the papers.

MR: MacLEOD: If what I read in the papers is not true, I am very glad, because you are just the leader I want to see in the driver's seat.

MR. OLIVER: Thank you, very much.

MR. MacLEOD: And we have the contenders---and there are contenders---must we ignore what we read inthe papers about other aspirants to the Liberal leadership? There are other aspirants. As a matter of fact, as I check the list from day to day and week to week---and it is growing---I sometimes think of the old proverb, "The blacksmith is shoeing the horse, and the frog sticks out his leg."

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: However, it is in the hands of the convention, whenever it is to be held. Some say in March, some say

in April, some say in May, and I heard one date as late as October.

But I would like to warn you here that unless you clean this business up very quickly, there is a real danger that you may find that the next leader of the Liberal Party in the province of Ontario is sitting over there in the hon. Prime Minister's (Mr. Frost) chair, because that is what he wants to do. He wants to lure the unsuspecting Liberals into the Tory camp.

MR. OLIVER: And we are wise to him.

MR. MacLEOD: I strongly advise you to be on guard, and I think the hon. member for Grey South (Mr. Oliver) is the only man who can stop them.

Number one on my list is the hon. member for London (Mr. Calder). Certainly the hon. member for London (Mr. Calder) is a formidable contender. Did you ever see such magnificence in this House?

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: Every time I come into this House and look at the hon. member for London (Mr. Calder) I feel as if I had come from a bargain counter in a second-hand store.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: I predict that when the ten best-dressed men in Canada are announced next week, the hon. member for London (Mr. Calder) will be number one.

Now, Mr. Speaker, I think I should say a few words about the hon. leader of the opposition (Mr. Jolliffe). I must say that for the first five or ten minutes of his speech the other day I thought Mr. Drew was back in the House. I was tempted to say to my colleague, "My heavens, Mr. Drew is losing weight," because what the hon. Leader of the opposition (Mr. Jollife) had to say about the world sounded very much like the sort of

thing we used to hear "Before the Orders of the Day." You know the terrific blasts we used to get. Why on earth does the hon. leader of the opposition (Mr. Jolliffe) take such a melancholy view of the situation in China? After all, that country has simply fallen to the Chinese inthe last year. The Chinese have taken China. I do not see anything wrong with that. I was very much inspired when I read the announcement of the establishment of the Chinese Peoples Republic, and when the leader of that Republic said: "The day of insults is over." Those are very moving words, spoken in the name of 475,000,000 people---

MR. WILLIAM DENNISON (St. David): And the day of oppression began.

MR. MacLEOD: Just a moment. Mr. Speaker, the hon. member for St. David (Mr. Dennison) is always in character when he makes stupid remarks.

MR. DENNISON: Mr. Speaker may I say--

MR. MacLEOD: I do not yield the floor to the hon. member for St. David (Mr. Dennison), because I know he has nothing intelligent to say, and I will not give him the opportunity to say it.

When the leader of the Chinese Pepples Republic said that the "Days of insults are over," I think that all people who believe inhuman progress were stirred by that statement.

And I would just like to put on the records of this House a sentence or two from a speech made on the day of the proclamationof the Republic by the widow of the late Doctor Sun Yat Sen, and I would ask the hon. members of this House to listen to this with open minds. She said:

> "Let us dedicate ourselves to prevent the destruction of civilization and exert every ounce of energy from man or produced by him, to assure that the common people of the world everywhere get their due from life.

"This is to say that our task does not end until every hovel has been rebuilt into a decent house, until products of the earth will be within easy purchase, until products from factories will be returned in equal amount to efforts exerted, until the family can have complete medical care from the cradle to the grave. When these necessities are equally at hand for everyone, regardless of race, color, creed and residence in this world, then we shall know that we have reached our goal. This, then, is a call to the colors of the New China, of the new world. Comrades, let us all proceed with our tasks here of establishing an independent, democratic, strong and prosperous New China, and together with the peoples of the world bring about everlasting world peace."

(Page D-14 follows)

That is rather a fine statement. And I do suggest to the hon. leader of the opposition (Mr. Jolliffe) and to the hon. members of the House that now that peace has come to China at last after so many years, we will see her entering a great period of nation building, and we should accept that fact for what it is, even though the politics of the country may not be acceptable to all of us.

(Take E follows)

We rather see in China a country with which we can do business, 475,000,000 people, they can use an awful lot of the things that we produce in this country.

I say, Mr. Speaker, above all, let us atone for some of the crimes that we committed against the people of China from 1931 to 1941, when we permitted lead and zinc and aluminum and scrap iron and Misquito bombers and other things to go to Japan to be used to slaughter Chinese -- yes, but eventually to slaughter 400 Canadian boys at Hong Kong. And this Government which sits across the way was, of course, not responsible for that. Others must bear the responsibility for the ignoble, inhuman role that Canada played in politics of the past years, which would give the people of China an opportunity -- a good reason, shall I say -- for wondering if the people of Canada were their friends or their enemies.

I do not think there is much the hon. Leader of the Opposition (Mr. Jolliffe) can do about his home city of Luchow, I believe, unless he wants to arm a band of guerillas and go over there and join Madame Chiang Kai-Shek's mink-clad guerillas.

MR. E. B. JOLLIFFE (Leader of the Opposition): No. I will leave that to Tito.

MR. MacLEOD: To Tito? Well, I am not familiar with Tito, but I think the hon. Leader of the Opposition (Mr. Jolliffe) can well forget about Luchow and think about South York; that is his responsibility. The people of Luchow will take care of themselves. They have been there for a long time, and they will be there for a long time.

Mr. Speaker, finally, in the preliminaries, may I say to the hon. member for Leeds (Mr. Reynolds) that I listened with great interest to what he had to say, and of course, we, like other hon. members of the House, look upon the hon. member for Leeds as the first instalment of the Star's charity.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: But I hope that the political complexion of the balance of the picture will be different. However, we are very glad to see him here, wish that he were not a Tory, but he is a Tory. He did a very good job for the party the other day, as did his colleague the hon. member for Cochrane North (Mr. Leger), and we are very glad to have him here, because he is a Canadien. He has swelled the ranks of the Canadiens in the House, and we are glad of that, and I hope, Mr.Speaker, that the day is not far distant when the Canadien representation in this House will be larger and under the Rules of the House it will be possible for a Canadien who represents an Ontario constituency to address this Assembly in his own language.

I was very delighted,as I am sure other hon. members were, here a few years ago when we heard addresses in French from the former hon. member for Prescott (Mr. Belanger) and the former hon. member for Cochrane North (Mr. Habel) spoken in French, and I think that as the French-Canadian population of Ontario increases and the representation from that important section of our Province increases, that a day will come when we will actually hear French spoken on the floor of the Assembly of the Province of Ontario.

There was one thing that baffled me a bit in those

speeches, however, and that was the several references to "honourable gentlemen opposite". Now, what do you have against the honourable gentlemen opposite? I thought the honourable gentlemen opposite were friends of yours, but listening to those speeches, I got the impression that they had "done you wrong". Something did occur to me when I heard those particular passages, but I just call it to their attention and maybe they will explain privately what it was all about.

Now, Mr. Speaker, may I, in coming to the Government as a collective body, begin by complimenting and commending the Government on a Bill which it introduced in the past year. The hon. Prime Minister (Mr. Frost) was kind enough the other day to refer to the fact that I had, during the last few sessions, a great deal to say about the necessity of bringing our nurses and hospital personnel under the provisions of The Compensation Act. I spoke at great length on that question last Session and the Session before. I also had a great deal to say in the last few Sessions on the necessity of having a compulsory X-ray system in all the hospitals of the Province of Ontario. Now, we know for a fact that the nurses and hospital personnel have been brought under the provisions of The Compensation Act, but I am not sure that all the hospitals in the Province of Ontario are X-raying all patients on admission to hospital. Last year, when we left here, I do know that in the General Hospital in the City of Toronto, which admits more patients than any other hospital in this city, I believe, there is no compulsory X-ray, there were no facilities there for X-raying patients.

Whether it has been done since then, I know not. If, in fact, it has been done, then I would suggest to my hon. friend, the Prime Minister (Mr. Frost) that the Government should introduce at this Session of the House an amendment to The Public Health Act which will make it obligatory for all hospitals to not only instal the X-ray equipment, but as well, to X-ray all patients before they are permitted to occupy a bed in the hospital.

Now, of course, the Government is always glad when they can say: "Well, we have done something". There is an old saying, you know, that when a Tory Government discharges an obligation you hear the report around the world, and that is of course what happened the other day.

I must remind the hon. Prime Minister (Mr. Frost), that in carrying through this reform, which we all welcome heartily, the Government of Ontario has merely caught up with the government of South Africa -- of all places -- because in South Africa for many years past they have been paying all nurses and hospital personnel who contracted tuberculosis in the line of duty a compensation of $60. a month, so good old Ontario with this Tory Government has caught up with South Africa. Well, thank the Lord for small mercies and may there be more of them.

Now, Mr.Speaker, the Speech from the Throne which we are discussing is, I am sorry to say,as usual full of emptiness. This years as past years the author of the Speech from the Throne aimed at nothing and reached it.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: Scored.

AN hon. MEMBER: A bullseye.

MR. MacLEOD: Nothing in the speech. It does not even measure up to the literary standards of Mr. Drew, who wrote them in years gone by. It is a routine document. It is a pity that His Honour the Lieutenant-Governor, who represents His Majesty the King in the Province of Ontario should have to read such a mediocre document to this House. But he has had to do it.

In the first place, Mr. Speaker, I would say that the Speech from the Throne -- and the hon. Leader of the Opposition (Mr. Jolliffe) made this point very ably -- the Speech from the Throne does not in any sense of the word reflect adequate concern for the serious unemployment situation in the Province of Ontario. I picked up a magazine not long ago, and I think it was called "Coronet"; it had an article in it called: "Canada's Blueprint against Depression". It looked interesting and I forked over 50 cents to buy it. I would like to read the opening paragraph of that article, because I think it has a bearing on the things that are lacking in the Speech from the Throne. It says:

> "A few months ago, the municipal clerk of a Canadian fishing village wrote an urgent letter to the Department of Reconstruction -- "

At Ottawa, just to make you feel right; and the writer said:

> 'Our need for a breakwater is critical. Boats are having great difficulty getting in and out of harbour, and soon we will have no fishing industry at all, owing to silting. This silting has been going on since the storm destroyed the natural sandbar protecting the entrance.'

That is the end of the communication, and then the article goes on:

> "Government machinery started to turn, but Ottawa officials could find no report of the storm."

They called this to the attention of the clerk, who wrote back and said:

> " 'Well, our records showed it occurred 100 years ago this month'."

Well, that is a good thing to bear in mind when you are discussing the Hope Report. And may I point out, as an aside, that in looking through the publication called "Who's Who in Canada" not long ago -- I have forgotten what year it was -- but in looking through it, I came across Mr. Justice Hope's name, and do you know what it said in there? It listed him as "an active Conservative". That explains why it has taken him six years, and we do not have the report yet.

This little item on the communication that was received 100 years ago and finally met the attention of the government at Ottawa suggeststo me that something of the same spirit, the same casual attitude, characterizes the Government of Ontario. There are from 80,000 to 100,000 unemployed in the Province of Ontario today, according to the hon. Humphrey Mitchell, and I would say that there are twice that number according to the truth, because the figures given only cover people who are drawing unemployment insurance benefits.

When I was at the Lakehead a couple of weeks ago, there were 3600 unemployed in Port Arthur and Fort William,

and I am sure that the Mayor of Port Arthur, and the hon. member for Fort William (Mr. Cox) would agree with me that within the next few weeks that number will be just twice as great as it is now, as thousands of men come out of the bush. Some of them of course will remain at the Head of the Lakes, and they are going to have a serious unemployment problem on their hands up there.

Of course the hon. Prime Minister (Mr. Frost) attempts to play down the magnitude of the unemployment situation. He talks about the "G.N.P." -- he says the "G.N.P." is going to be higher and that we have no way of knowing whether unemployment is going to grow, whether the present situation is temporary or what will happen. He reminds me of something I read a short time ago, about the habit of the Americans to get over difficult situations by skillful use of statistics. This method is that where one man eats enough for three and the other man eats nothing at all, you simply the result, divide it, and both of them have enough to eat. That is what the hon. Prime Minister (Mr. Frost) was doing here the other day, trying to gloss over the situation.

As a matter of fact, as he spoke he reminded me of another Tory of yesteryear, who said the following in 1928:

> "One of the oldest and perhaps the noblest of human aspirations has been the abolition of poverty.....We...today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal,

"but, given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation. There is no guaranty against poverty equal to a job for every man. That is the primary purpose of the policies we advocate."

And after that piece of unbuttoned rhetoric, the country there described found itself with twelve million unemployed on the streets, with Ph.D's. selling shoelaces and apples down in the canyons of Wall Street.

(Take F-1 follows)

Right up to the time the war broke out in the United States, there were nine million unemployed and if they were not spending $15,000,000,000 today inthe United States on war preparations there would be 15,000,000 to 20,000,000 people unemployed in the United States right now.

Now, Mr. Speaker, we are comfronted with a very serious situation in the province of Ontario today. I see the figures of January 29th and they have been revised upwards up since then. Ontario, 79,000, it is much higher than that now. We pick up the papers and read of 23 homeless boys in the city of Toronto spending the first three days of the New Year in the Don Jail because there was no place for them to sleep. We read in the Globe & Mail of three to four hundred Canadian boys sleeping in the unheated box cars, in the railway cars at Union Station every night; we read in the Timmins press, and I am sure the hon. member for Cochrane South (Mr. Grummett) will not mind me saying this, we read in the Timmins press of four men, the youngest of them 19 years of age, appearing before Magistrate Atkinson asking to be sent to jail. Jean Luc Naddau, 19, no place to live was given 30 days with the usual alterntive dollar fine. Louis Michaud, 66, no abode, told the Magistrate he was expecting his wartime compulsory savings from Ottawa but had received no word and was broke. Henry Rheaume---you will notice they are all Russian names---no abode, asked for six months and was given three. He said he could not find a job. Felix Tanguay, 54, was given 30 days in jail. Police testified he was unable to work after being injured in a fall recently and had just two cents in his pocket when he came into the police station.

And wepick up the Toronto paper and we read of a man being arrested for stealing food from a store and when the police authorities got to the man's home they found there was nothing to eat, four or five children, and the policeman gave him a few

dollars out of his own pocket. In the same issue of the paper we read of a group of Canadians going for a luxury cruise, an 80-day affair, involving suites at $20,000 apiece, a mink-coated gathering, amounting to some $287,000 for a group of millionaires going down there. One man from the home town of the hon. Minister of Labor (Mr. Daley) Mr. E. L. McLean, who had a $10,000 suite on "A" deck. How do you think the unemployed in St. Catharines and Toronto, Timmins and so on feels when they read that sort of thing in the paper?

MR. S. J. HUNT (Renfrew North): Feel like taking a trip.

MR. MacLEOD: Mr. Speaker, I suggest to you that at this very moment we are living under the shadow of the hungry 30s in the province of Ontario and the situation is getting not better but worse. It is a very strange thing that when we read of these boys being being sent to jail because there is no room in hostels for them to sleep and when we see pictures in the Globe & Mail sleeping without blankets or covering on the floor of the Fred Victor Mission and the Scott Mission and other places in this city, when we read of that we pick up our paper the following day and we see the following, that the new Canadian Army offers a lifetime career, full of opportunities to learn and advance, a way of life and a kind of security that cannot be matched. How shameful, how reminiscent of the period before the second world war when the youth of the nation was taken by the thousands up into tarpaper shacks in the hinterland of the various provinces of this country and paid 20¢ a day.

MR. PORTER: Just like Siberia.

MR. MacLEOD: Yes, like Siberia under the Czar. Of course, 20¢ a day. You allowed health to become undermined, you permit them to go in boxcars to Regina and you shoot them down on the 1st day of July, 1935, so that one doctor in the city of Regina was able to testify before a Commission that he removed 42 bullets

from the bodies of these Canadian boys. Who did that? A Tory government, headed by R. B. Bennett. Then, in a year or two, these same boys with their health undermined are sent to the best doctors, sent to the best dentists, sent to the tailor, given the best clothes that money can buy, given a warm, good place to sleep and then being given the control stick of a $250,000 bombing machine. Many of the boys who were in the slave camps of the 30s were rehabilitated to the point where they were good enough to go and fight and many of them died for this country and many of them came back and some of those who came back are now sleeping on the floors of flop houses in the Province of Ontario and inthe otherprovinces of this country. Why is it in a civilized age that we are willing to subsilize people for death but turn a cold stony heart to young men when they ask only for the right to live? I say, Mr. Speaker, that when we allow a return of the humiliating soup kitchen in the city of Toronto inthe province of Ontario, when we allow these young Canadians to sleep amid the degrading conditions of these institutions, we are guilty of the worst kind of betrayal of the 40,000 Canadian boys who died to make this a better land. These are acts of desecration in my opinion, especially when one recalls what was said to the people of this country in 1945 by a former Prime Minister and I would ask you to listen to these words. He said; "If my government is returned to power the laws of this country will be changed so that every man and woman able and willing to work shall be guaranteed a job and fair income as long as they are of working age." Well, his government was returned to power, that government is in power now and to my knowledge that government has not done anything to change the laws of this country to guarantee that every man and woman able and willing to work shall be guaranteed a job with a fair income as long as they are of working age. I would ask you, Mr. Speaker, and hon.

members of this House, when are we going to put on the statute books of this country laws to deal with politicians and leaders of the government who make promises to people when they have no intention of fulfilling them? There is a lot of talk these days about amending the Criminal Code, and I would say it should be amended to deal with people who in the midst of hysteria make promises to people that they have no idea of keeping.

MR. W. DENNISON (St. David): Does that include the 22 points?

MR. MacLEOD: Yes, and some other points too.

MR. FROST: All from the same group.

MR. SPEAKER: Order.

MR. MacLEOD: It is a very funny thing that there is plenty of money for operation Muskox and there is plenty of money for operation Sweet Briar.

MR. W. J. GRUMMETT (Cochrane South): Perhaps it will be necessary some day.

MR. MacLEOD: I know, from your point of view, but let me finish the sentence, there is no money for operation humanity. It is a very strange thing when you pick up your paper and read where Mr. Claxton has just spent $50,000,000 on 25 jet airplanes and you know, they say, if you can see a jet airplane in the sky it is obsolete. $50,000,000 for 25 airplanes and on the same budget this item, old age pensions, totalling $64,000,000. The Federal contribution to old age pensions increased from $7,000,000 to $64,000,000 in the fiscal year that ended March 31st, 1945. The only report of the at the administration has had today was that we had spent $50,000,000 on 25 jet airplanes and we spent a total of $64,000,000 by the Dominion of Canada for all the old age pensioners in the Dominion of Canada. Well, I say to you, Mr. Speaker, that we have reached a situation where we have to do one of two things, either we are going to provide

jobs for Canadians who are willing to work, or we are obliged to see to it that these people receive the form and type of relief which enables them to live according to the dignity that befits a citizen of Canada. That is why I felt so alarmed the other day when a group of these unemployed came to Queen's Park and spent an hour or so with the hon. Prime Minister (Mr. Frost) and asked for relief pending some kind of an arrangement between the provinces and the Dominion. After all, these people are here but they are permitted to leave the warmth of the hon. Prime Minister's office and go out into a cold bitter night, back to the flop house with no money in their pockets and then the hon. Prime Minister (Mr. Frost) expects us tobe satisfied when he talks about seeing the flickering lights through the leafless trees on the approaches to Lindsay.

MR. FROST: Yes, a million farmers.

MR. MacLEOD: You talk about flickering lights in Lindsay, you talk about the flickering lights on the approaches to Lindsay, what about the encircling gloom in the Scott Mision and the Fred Victor Mission and the other places where unemployed Canadians are herded like animals?

MR. SALSBERG: In Lindsay, too.

MR. MacLEOD: Yes, in Lindsay, so I say to you, Mr. Speaker, and to the government, this is our business. These people are unemployed, these people are Canadians, they are either veterans of the recent war or they are the sons of men who fought to make Canada a land fit for them to live in 30 years ago, as did the hon. Prime Minister (Mr. Frost) of Ontario. The hon. Prime Minister (Mr. Frost) should be very sympathetic to these people for in many cases he is talking to the sons of the men of his own generation who fought for Canada. I do not see how you can say, "Oh, well, that is Ottawa's responsibility."

I repeat again that the Speech from the Throne falls far short of what we had a right to expect from this government . Someone has handed me the Progressive Conservative platform with better living for all, full employment, etc. Well, there are 100,000 people or more looking for jobs in Ontario now and you could take care of those people. It isnot a financial problem, in the last five or six years this government has literally thrown from $90,000,000 to $100,000,000 into the gutter. What do I mean by that? I mean, that this government which refused to sign a taxation agreement with Ottawa was entitled to receive 5% of all personal income tax paid in the Province of Ontario. That would have amounted to $17,000,000 a year. Would it not have been a wise and prudent thing for you to have taken that money and shore it up to meet just such a situation as now confronts us? Why did you not use the money for that? Why do you not do it now, you can still take that $17,000,000. I know what the indifferent hon. Attorney-General (Mr. Porter) would say in reply to that, he would say, "Well, if we had taken that money we would have had to spend it so we did not take it, we did not need it."

MR. PORTER: Quite a wrong surmise.

MR. MacLEOD: You should be more careful what you say in private.

MR. PORTER: Stop guessing.

MR. MacLEOD: So, Mr. Speaker, I saythat this government is obliged to institute a system of cash relief paid out of the treasury of the province untilsuch time as they reach an agreement with Ottawa for dividing the responsibility of taking care of those people. We cannot permit, and I do not think the people of Ontario are disposed to permit a return to soup kitchens, bread lines and flop houses in this province. However, I will say this, I do not think that this problem can be handled by

what we call emergency public works. The hon. Minister of Highways (Mr. Doucett) announced Friday that we are going to spend half a billion dollars over a period of five years. We are going to spend money on hospitals and so forth, public works. That willtake care of part of it but I would suggest, Mr. Speaker, that the problem goes deeper than that.

It is not very often I find anything in a capitalist publicatiom or fromthe lips of a capitalist that I consider worth quoting but I would commend to the House a speech made by Mr. John A. Marsh, general manager of the Canadian Exporters Association. I would ask the hon. Prime Minister (Mr. Frost) ifhe does not mind tolisten to this. I am quoting what Mr. John A. Marsh, president of the Exporters Association said at a meeting not long ago:

> "If Joe Doakes---Canadian, is to protect his heritage, maintain his standard of living and make a real start toward owning the assets of his country, he has to put emphasis on exporting processed goods instead of rawprimary products. In too many cases we are selling the cow instead of the milk; cattle on thehoof instead of canned meat; iron ore instead of steel; logs instead of lumber; pulpwood instead of paper. In other words, despite our national status, despite our great industrial progress, we are still cutting Canada down, digging Canada up and selling it in the raw to too great an extent. Continued employment of our people will stem more and more from our ability to process our own raw products and own to an increasing degree our own assets."

Now, that is the end of the quotation and I must say that is a very sensible submission and I think it is a statement that

should be taken by the government of Ontario, because the government of Ontario does exercise control over the natural resources, the raw materials of this province. We went on quite a jaunt this summer with my estimable frined the hon. Minister of Lands and Forests (Mr. Scott) who took us off to see the Ontario far away from this parasitical southern fringe of Ontario up to the great north and northwest, the 80% of Ontario that provides such a large share of the wealth and then hands it over to the skyscrapers in the southern parts.

(Take G follows)

MR. MacLEOD: Certainly we ought to sit back and admire that marvelous development. I picked up the Life magazine, and saw an article therein on Steep Rock. There is a picture of Mr. Cyrus Eaton taken on one of the rivets up there. The article reads: "Deep in a shovel-scarred maw of earth in Canada's Ontario Province a white-haired, soft-voiced U.S. financier is quite literally carving out a new industrial frontier. The financier is Cyrus Eaton, holder of controlling interests and directorships in steel, railroads and banks. And the industrial frontier is Steep Rock Iron Mines, Limited. It could be Eaton's smartest venture yet."

And the article continues:

"Today Steep Rock is busily turning out more than a million tons of ore a year. And the area is now estimated to have a whopping total of 500 million tons of ore. What makes this more important is that the richest U.S. field, Mesabi, is running out of high-grade ore. So Cyrus Eaton's gamble is paying off handsomely."

Well, I began to look into those conditions, and Life was right on the ball, paying-off. Well, Mr. Speaker, Cyrus Eaton, an American citizen, has 1,500,000 shares in Steep Rock, which he bought for one cent a share. And on top of that, Mr. Speaker, he is the head of the company that markets the ore, and he receives two per cent on every ton in United States currency at seven dollars a ton. And what do they get out of this set-up? They put in ten million. What did they get out? They got four and one-half per cent on that investment. That is the set-up. Where do we come in? Where do the taxpayers come in? They put out one million dollars

to build a spur line and one million dollars on the cars, and in the first two months of 1949 Steep Rock earned enough profits to pay twenty cents a share on six million shares of common stock. If Eaton guaranteed his dividend on the basis of that operation, he would have saved twenty cents a share on one and one-half million shares, if he saved one cent. And that is not the whole story.

I read in the paper the other day, a number of Canadian people are mentally ill.

SOME hon. MEMBERS: Hear, hear.

MR. MacLEOD: That must be so when the people of Canada subsidized an organization led by an American financier. In the monthly issued by Steep Rock that prospectus states that Steep Rock reaches an annual production of 4,000,000 tons of ore. That is to maintain and establish a $60,000,000. steel industry. Does the hon. the Prime Minister (Mr. Frost) remember he said he was looking forward to the day that that ore would be melted and processed at the head of the lakes?

How long is it going to be before we have at Port Arthur, or between the two towns, in the moose pasture, an industry go give employment such as that at Sault Ste. Marie. Where would we get the risk capital. If the capitalists of Canada are not prepared to invest their money there is no reason why we do not do what they did in New England, sell State bonds, to use the ore. We have to make up our minds whether this nation and the persons thereof will be hewers of wisdom and drawers of oil for the United States, or whether it will be to enrich

ourselves, the people of Canada, and provide employment for our people. Referring to Rt. Hon. Mr. Howe, and the announcement of a new lease we are granting to the New England Steel Company; Mr. Prime Minister (Mr. Frost), you stated you would make an announcement.

HON. LESLIE M. FROST (Prime Minister): Oh no.

MR. MacLEOD: Yes.

MR. FROST: He reckoned to be the member up there.

MR. MacLEOD: This is Ontario, and you are the Prime Ministe

MR. FROST: The announcement was made.

MR. MacLEOD: And here a friend of Eaton's --

MR. FROST: That is the way we do business.

MR. MacLEOD: I think it is high time the people should rise in revolt. It calls upon us to supervise the kind of administration going on. It calls on engineering skill to take out 118,000,000 gallons of water and millions of yards of silt and rock. The people of Ontario are not getting anything out of that. Why pay the United States four and one-half per cent when Ontario could gain half? Why should we not guarantee the interest. Why not say to Mr. Eaton, "Here is your money. Let us get the benefit."

(Take H follows)

That is what Mr. Marsh means when he speaks about "cutting Canada down," "digging Canada up," "Selling Canada up." We have enough people in Canada today to be the hewers of wood and the drawers of water for "Uncle Sam," if that is what our role is.

But I, Mr. Speaker, go along with the hon. Prime Minister (Mr. Frost) when he talks about the great possibilities of this province. This is a marvellous place. This province and this country of ours have a wonderful future before them and I feel when we enter the next great stage or phase of our development, the gateway of that development will be north and northwest in Ontario. There is not much in the south. It is a sort of parasitical fringe. Agriculture is what keeps it going. They do not produce anything basic here. They are living off our extremities, that is, I mean the peoples in the cities.

HON. DANA PORTER (Attorney-General): That is right, as far as you are concerned.

MR. MacLEOD: And you, as a person living off the extremities, look half starved.

Now, I would think with all these great possibilities of development, the planning and development department would be busy up around the head of the lakes, but the Ministry of Planning and Development in thisprovince is a pure joke---it is a joke; it is the hitching post for displaced hon. Ministers . At one time they had the present hon. Attorney-General (Mr. Porter) in there for a while, and then the present hon. Provincial Secretary (Mr. Welsh) for a while, and then the hon. member for Windsor (Mr. Griesinger) created a problem, and so they stuck him in there. It has never planned or developed anything since it has existed in this province. But there is a big job to do and I hope my friend, the present hon. Minister (Mr. Griesinger) will rise to the occasion, and really get down to business.

Let us take a concrete case to realize the great hopes and expectations of which the hon. Prime Minister (Mr. Frost) spoke a few days ago. Let us tell people like Mr. Eaton if they are running short of ore in the United States, all right; we are prepared to supply them out of our surplus. If the Mesabi range is running out, it is quite all right, let them say "Your adversity is our opportunity; we will start building up a steel industry of our own, to give employment to our own people."

Finally, Mr. Speaker, I want to compliment the government and the hon. Minister of Public Works (Mr. Doucett) on the decision to build a mental hospital at the head of the lakes.,-- you willnot misunderstand me?

SOME hon. MEMBERS: Hear, hear.

MR. MacLEOD: I am glad they are going to have a mental hospital up there, because for the past four or five years they have been putting their mental patients in jail, The hon. member for Port Arthur (Mr. Robinson) will corroborate that statement, and the hon. member (Mr. Cox) who wanted to be Mayor and could not--

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: -- will corroborate that statement. They are putting those people in jail. How disgraceful. But at least they are going to have a mental hospital, I was also glad to hear the hon. member from Leeds (Mr. Reynolds) describe the new hospital to be built at Smiths Falls, to relieve the crowded conditions in the Brockville Hospital.

But I am terribly, terribly disappointed that in announcing this five-year plan a few days ago, the government did not accompany that with the announcement that the miserable, vile, dungeons at 999 Queen Street would be closed down. 999 Queen Street is a disgrace to the city of Toronto, to the province

of Ontario, and to the Dominion of Canada.

The hon. Prime Minister inveighed against the municipalities for their intransigencies, for refusing to come into line. He said the present system is outmoded, obsolte, and outdated, and yet this government permits to exist down there this horrible institution, which was built 105 years ago, and which has in it 1200 or 1400 people crowded in there like animals.

(Page H-4 follows)

I suggested to the Government last year that the time has come in the Province of Ontario when we need a Royal Commission to look into the state of our mental institutions, and look into the whole problem of mental health in this Province.

There are 20,000 people in mental institutions in the Province of Ontario today -- or close to it -- and most of these institutions are outmoded, obsolte, and outdated. They are spending 50 percent. of the total health budget of the Province on themaintenance, not of the mental hospitals, but custodial institutions, jails, and places of detention in many cases -- not all, but in many cases.

Now, are we going to go on spending 50 cents out of every dollar we spend for health on the maintenance of these places, while doing nothing to get at the cause which put people in institutions of that kind?

I would plead with the hon. Prime Minister (Mr. Frost) to seriously consider the advisability of giving a Royal Commission the task -- and I do not care if it takes them a year or two to finish the job -- in 1950, of doing what the Ross Commission did twenty years ago. That was done by a Tory Government, and the Commission was headed by a Tory. I do not see any reason why you should take unkindly to that suggestion, because I will tell you if this situation is permitted to continue, it is going to develop into a first-rate scandal in this Province, when the people know the truth. You cannot expect to get away with the policy of spending $1.54 per day on 18,000 or 20,000 people, in the so-called mental hospitals, when you have to spend anywhere from $4.00 to $6.00 and $8.00 per day to maintain people in ordinary hospitals. Do you think the public of Ontario will

you to
treat human beings like that? I do not think so. And I am sure that every party in this House, regardless of the things upon which they may differ, will undertake to make this a foremost matter for public discussion in the weeks and months ahead. These hospitals are terribly under-staffed. You had a murder committed in London not long ago simply because that hospital was under-staffed. We have less than 50 percent. of the staff we should have in these present hospitals.

Then, of course, I could, if there was time, say a few words about the old-age pensioners. You are doing nothing for them. You are leaving the aged people of this Province to "get by" on the miserable $40.00 a month pension. I think the Government should have announced it would continue to pay the $10.00 bonus, not only to a limited number of old-age pensioners, but to all aged persons. They need it, $40.00 wholly inadequate. Most old-age pensioners in the City of Toronto are short about $20.00 per month in the amount which would be necessary to maintain themselves in decency as citizens of this City.

However, there will be opportunities to say more about that later on.

I would conclude with this: this government will be in power, I assume, till 1952 or 1953, unless, in the meantime, you dig up some "phoney" issue and spring an election, but all things being equal, you will be in power until 1952 or 1953. That is several years hence.

Although I and my colleague (Mr. Salsberg) are strongly opposed to a Tory Government on principle, we could only wish in the time it has left, this Government will do all these things that are necessary to enable it to go before the people

of Ontario in 1952 or 1953 with a clear conscience. And if your conscience is clear in 1952 or 1953, and the people of Ontario feel that you should be given the opportunity to carry on -- well, I would regret that very much, but I would not complain if your record merited such a renewal of confidence.

Do not be so smug, and self-righteous about your record. Do not be so self-satisfied. I will address myself to the hon. Attorney-General (Mr. Porter) because he is the smugest, most self-righteous Minister who ever sat in this House.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: Do not be so smug; do not be so self-righteous; try to understand that there is a place for humility. You havenot kept your promises any better than the Ottawa Liberals have kept theirs; you are not in a position to point the finger of scorn at them; you are guilty of both sins of omission and sins of commission, and I think the best thing the present hon. Prime Minister (Mr. Frost) could do would be to indulge in a little heart searching and try to get over this tendency to take a refuge in the idyllic atmosphere of a country squire's home in Victoria County. Try to get some appreciation of how the rest of the world lives. Stop allowing yourselves to be intoxicated with a lot of rhetoric about flickering lights --

MR. FROST: You think it would be better if we dealt with "encircling gloom"?

MR. MacLEOD: As we used to say, "Lead Kindly Light, Lead Thou me on o'er moor and fen, until the night is gone", and when I say "the night", I mean the darkness in which we have lived for the last six years under a Tory Government.

MR. FROST: Are you speaking about all shades of

Opposition?

MR. MacLEOD: The hon. members who sit in opposition in this Legislature today represent the majority of the people of Ontario, not the hon. members who are sitting on the Government benches. Do not forget that, and remember that in 1951 or 1952 or 1953 the people of this Province will pass judgment on you, and if you keep on as you are going today, keep on being the cold-hearted, delinquent government you have been since 1943, you had better prepare yourselves for outer darkness.

SOME hon. MEMBERS: Hear, hear.

MR. WILLIAM MURDOCK (Essex South): Mr. Speaker, in the absence of the hon. member for St. Patrick (Mr. Rea), I move the adjournment of the Debate on his behalf.

Motion agreed to.

MR. L. M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House, we will proceed with Government Orders tomorrow, and I would like, if possible, to proceed with the addresses in reply to the Speech from the Throne, and again on Friday if at all possible.

We have now heard much of the heavy artillery from the front row opposite, and at times the artillery has shown itself by barrages, and we have just had the annual "hydrogen bomb" dropped by the hon. member for Bellwoods (Mr. MacLeod), and I would like to get on with the business of the House, with the representatives of the people of Ontario in this Chamber.

MR. MacLEOD: We are very anxious to hear them.

MR. FROST: Tomorrow we can proceed with the addresses in reply to the Speech from the Throne after we finish the Government Orders.

MR. MacLEOD: I am sorry I stood in their way.

MR. FROST: I hope we can do that on Friday, as well.

The report of the Conservation Committee will be delivered very soon, and I think the members of that Committee would like to say something on their report, so I would like to arrange matters so that we will give everybody an opportunity to say something, and perhaps dispel some of the gloom which has been poured upon this Assembly in the last hour.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at six of the clock, p.m.

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