

Mr. MacEachen: In the case of the particular country which has been mentioned, the sanction would be the withholding of further sales.

Some hon. Members: Oh!

Mr. MacEachen: The hon. member will realize that in the case of India, when an explosion took place against the understanding which the Canadian government had reached with the government of India, a number of sanctions were employed—some of them are still in place. It is much to the regret of the Canadian government that this should have happened and we are presently negotiating with the government of India in the hope that we may restore normal relations as they previously existed. I can assure the hon. member that India, as well as Canada, is quite unhappy about the present situation.

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INDIAN AFFAIRS

ALLEGED COERCION OF JAMES SMITH BAND TO ACCEPT LOCAL GOVERNMENT GUIDELINES—REQUEST FOR INVESTIGATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of questions addressed to the Minister of Indian Affairs and Northern Development by the hon. member for Battle River. In the course of his reply the minister stated that the local government guideline system was subject to further negotiation. Has there been brought to his attention the very serious situation in the James Smith band in the immediate vicinity of Prince Albert, one of the oldest reserves in our provinces, where the Indian band council has complained to him that the operation and maintenance of its programs are being held back because the band is being coerced into accepting the guidelines to which I have referred. The result of which is that these Indians, by reason of the dictatorial and stubborn attitude taken by the department, find themselves in the position of having to lay off staff and terminate programs, with the consequence that many Indians who would otherwise be self-supporting are now obliged to fall back on welfare? In giving that answer would he also assure me and these Indians, who after all are wards of the Queen, or believe themselves to be, that an investigation will be immediately entered into by his department to the end that if coercion is being practised it will end here and now?

● (1450)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not accept the suggestion that coercion is being practised. These guidelines went out and, as the right hon. gentleman is aware, there has been considerable discussion and opposition to them on the part of some of the bands in Saskatchewan, and in particular by the Federation of Saskatchewan Indians. I have stated in this House on several occasions that they are of an interim nature and we are prepared to change them. As I would like to indicate in reply to the hon. member for Battle River, we have in fact changed the figures as far as the tender amount is concerned and we

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are prepared to look at other aspects as well, but they have gone into force as of the first of June.

Mr. Diefenbaker: In addition to changing the figures, Mr. Speaker, has the minister received a complaint from one of the most distinguished chiefs in the province, Chief Sanderson, concerning the fact that so anxious is the Department of Indian Affairs to obtain acquisition to these guidelines the services of the Indian Affairs staff have been terminated, and because this particular band will not accept Mr. J. Wright in an official position? This is a serious matter and one that deserves attention, and I would ask the minister whether he would have these particular complaints looked into because there is a grave injustice being done here if the Indians are being forced or coerced into the position of accepting something they do not want?

Mr. Buchanan: Mr. Speaker, I will state again that I do not accept the suggestion that they are being forced or coerced. I have had several complaints from Chief Solomon Sanderson of the reserve on this subject. As I indicated, we are prepared to make changes. As to the question of Jim Wright, the Acting Regional Director, this was put to me the other day as well, and I have indicated that his appointment is of an acting nature. When the permanent appointment comes up this summer the Indian people will have their representative sitting on the board which will pass on that appointment.

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FINANCE

PROPOSED ESTABLISHMENT OF PROVINCIAL BANK IN BRITISH COLUMBIA—INQUIRY AS TO CONSTITUTIONALITY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, has the Minister of Finance had an opportunity to review the Barrett bank proposal in British Columbia which is contained in a bill now introduced to that legislature to incorporate a new financial institution which is to be 90 per cent owned by the province, and is to have almost all the powers of a regular bank? If so, does the minister agree with Premier Barrett that such a new institution comes within provincial constitutional rights?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing the situation but it does not become other than hypothetical until the bill is passed.

Mr. Stevens: Mr. Speaker, as the present government House leader, when Minister of Finance, adamantly opposed Premier Barrett's attempt to establish a provincially-owned bank of British Columbia, and in fact amended the Bank Act to ensure that this would not happen, will the minister indicate why he appears to have such little concern in respect of the proposed incorporation in that province?

Mr. Turner (Ottawa-Carleton): Simply because, Mr. Speaker, until the bill becomes law it is not a proposition I would have to consider, but any precedent invoked in favour of the House leader is a weighty precedent I would have to consider.