

*Inquiries of the Ministry*

The Prime Minister clearly denied the implication in the last observation on this point made yesterday by the hon. member for Ontario, who was at one time minister of labour and who I think should show greater sympathy for the labour unions of this country.

**Mr. Starr:** May I ask a supplementary question of the Prime Minister in view of his statement yesterday in connection with the statement by the Minister of Industry that the government's feeling was that it would be inadvisable to try to bring about general wage parity with the United States at this time, and the reply of the hon. member for Essex East to Mr. George Burt, which reads in part:

I must say unreservedly that I am not in accord with what my colleague is reported to have said.

And in view of the telegram sent by the hon. member for Essex South (Mr. Whelan) which reads:

Mr. Drury's statement is his own as far as I am concerned. I disagree 100 per cent with him—

Can the Prime Minister say whether the only member who is supporting the policy of the government is the hon. member for Essex West (Mr. Gray), and whether there is a great disparity and disagreement in the cabinet on this matter?

**Right Hon. L. B. Pearson (Prime Minister):** I am glad the hon. gentleman's question has given me an opportunity to point out to him that the policy of the government on this matter of the relation of wages to income and productivity is that which was laid down on page 11 in the speech of my hon. friend the Minister of Industry, at which time he was quoting from the third annual report of the Economic Council of Canada on wages, income and productivity. The quotation is:

Given the fundamental nature of the factors accounting for the income gap, it should be clear that a great deal remains to be done, on a variety of fronts, before the Canadian economy as a whole can be expected to enjoy effective parity of average per capita income with the United States.

This report, Mr. Speaker, was signed by, among others Claude Jodoin, W. Ladyman, William Mahoney, Marcel Pépin and A. R. Gibbons.

**Mr. Starr:** May I put a supplementary question to the Secretary of State for External Affairs. Will he stand by the statement he made in his telegram to Mr. Burt in which he said he must unreservedly state that he is  
[Mr. Martin (Essex East).]

not in accord with what his colleague is reported to have said?

**Mr. Speaker:** Order. I think we have had a debate which perhaps has gone beyond the usual confines of question and answer at this time. I think we might move on to another subject.

**Mr. Starr:** Then may I put another question.

**Mr. Speaker:** Order, please. I beseech the hon. member's co-operation; perhaps I can return to him later if he wishes to ask further questions.

**FINANCE****MERCANTILE BANK—POSSIBLE REDUCTION IN U.S. OWNERSHIP OF SHARES**

On the orders of the day:

**Mr. T. C. Douglas (Burnaby-Coquitlam):** Mr. Speaker, I should like to direct a question to the Prime Minister. May I ask whether the government has decided to introduce an amendment to the Bank Act to reduce from 25 per cent to 10 per cent the number of shares which Citibank may own in the Mercantile bank?

**Right Hon. L. B. Pearson (Prime Minister):** Mr. Speaker, the hon. gentleman should show a little patience. This bill will be reintroduced very shortly, I hope, at which time his curiosity will be satisfied, though perhaps not in a way which will suit him.

**Mr. Douglas:** A supplementary question. In view of the reported division in the cabinet with respect to this matter—

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

**Mr. Douglas:**—and the controversy which is alleged to be going on between the Minister of Finance and the senior Minister without Portfolio, the hon. member for Davenport, I want to ask the Prime Minister whether the senior Minister without Portfolio has been shipped to Jamaica to keep him warm or to keep him quiet.

**Mr. Speaker:** Order, please.

**Mr. Pearson:** Mr. Speaker, the problem of division in the federal cabinet—

**Mr. Speaker:** Order, please.

**Mr. Pearson:**—is not one which need face my hon. friend.

**Mr. Speaker:** Order, please.