

this project was not a new violation of the provincial domain, would the Prime Minister tell the house whether he has given Mr. Lesage any assurance in this connection and, if so, what was the nature of the assurance given?

Mr. Pearson: Mr. Speaker, we do not consider this project to be a violation of provincial rights, but there will be an opportunity to discuss the matter with the provinces, and I hope to say something about it later this afternoon.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, as a further supplementary question I would like to ask the Prime Minister whether, in view of the fact that this conference is being held in Quebec, he hopes to persuade Mr. Lesage to change his mind in connection with the Canada pension plan.

FINANCE

INQUIRY AS TO REVISION OF BANK ACT

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Finance which he might want to take as notice. In view of the rather unusual wording of section 6 of the Bank Act, can the minister advise whether it is the intention of the government to proceed with the usual decennial revision which normally would take place in 1964?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, we had hoped that by this time we would have the report of the royal commission on banking and finance. It now does not appear that this report will be published for some weeks, perhaps two months. In the circumstances we shall probably be asking parliament to approve the extension of the Bank Act for a year, a course of action for which there are several precedents.

SUGAR

REPORTED REJECTION OF LONG TERM CONTRACTS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce and ask him if it is true that the Canadian government rejected a proposal to provide sugar to the Canadian market on a long term basis at from £45 to £48 per ton, London delivery price. If it is true, what price level does the government consider to be equitable on a long term basis, taking into consideration the interests of the consumers as well as the sugar beet producers in Canada?

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Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, when I tabled yesterday a report in reply to a question from another hon. member I set out reasons why the government did not consider this was a propitious time to enter into long term agreements. I did not in that report set out precisely the offers made to the Canadian refiners by the commonwealth sugar producers, because I felt this was information that might prejudice the position of the commonwealth sugar producers themselves. I did say, however, that in our judgment it would not have been in the interests of the Canadian consumers to have entered into the sort of agreement they offered to us, and I think our judgment has been confirmed by the reduction in prices that has occurred since then, and by the reduction in prices that seem in prospect based on the future market.

Mr. W. H. A. Thomas (Middlesex West): As a supplementary question, can the minister tell us whether any consideration has been given to easing the sugar situation in Canada by increasing production of sugar beets, thereby helping our adverse balance of payments and supplying many needed employment opportunities?

Mr. Sharp: Mr. Speaker, as a result of the increase in price that has already taken place there was this year a substantial increase in sugar beet acreage. I have every reason to think there will be another increase next year. I have also had representations from the producers for a floor price for their production in future, and this is under consideration.

EXTERNAL AFFAIRS

STATEMENT BY PRIME MINISTER RESPECTING OSTRACISM OF IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister, who is reported as having stated in Paris on January 17 that Canada rejects the diplomatic and economic ostracism of state behind the iron curtain. Does this statement apply to the Peoples' Republic of China?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it has been stated by me and by other members of the cabinet several times that we do not believe in the ostracism of any government or any country.

REQUEST FOR COMMITTEE STUDY OF CANADIAN-U.S. RELATIONS

On the orders of the day:

[Translation]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the